



THE INDEPENDENT

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Ready to go: America is on the brink of attacking Iraq again



Ready for action: a member of the ground crew rushes to his post as an American warplane lands on the USS Nimitz in the northern Gulf

Photograph: AP

Iraq and the United States looked set for renewed armed conflict after a day of high drama in New York, Washington and Baghdad. The Iraqis announced the expulsion of American weapons inspectors; the UN said it will leave Iraq. Our US correspondent weighs the choices on all sides.

The stand-off accelerated with a speed that few had anticipated, including Kofi Annan, the UN Secretary General. Yesterday morning, only hours after the United Nations Security Council had passed a unanimous resolution approving further sanctions on Iraq, Baghdad in back. The six US weapons inspectors in Iraq were given six

and a half hours to leave the country. They were told to leave for Jordan by land, a hard overnight journey.

An expulsion order had been hanging over the American members of UN inspection teams since 29 October, when Baghdad first ordered their departure - an order that was suspended while diplomatic procedures were underway.

In Washington, President Clinton called the National Security Council into immediate session. He emerged, grave, to describe the expulsions as "clearly unacceptable" and a "challenge to the international community". He added: "It is important to the safety of the world that they [the inspectors] continue their work. I intend to pursue the matter in a very determined way."

Within the hour, Richard Butler, the chairman of Unscm, the commission overseeing the disarming of Iraq,

announced the withdrawal of all Unscm staff in Iraq. A small team of about nine people will be left to maintain facilities. Asked whether the UN offices, equipment and documents were secure, Mr Butler said bluntly: "Yes." But he stressed that "every day lost makes the circumstances worse" in terms of

send, except the Americans." Iraq's view is that American members of the UN teams, and the American-piloted U2 spy planes that are used for UN surveillance missions over Iraq, are being used not only for UN purposes, but in America's own national interests. Mr Aziz has continually made reference to

whipping up of national sentiment, the mass demonstrations and the mustering of "volunteers" at the presidential palace, all suggest that Iraq has decided that it has nothing to lose by standing firm. Baghdad wants a foreseeable end to sanctions.

The United Nations has a dilemma. It must stand by the principle that no country can determine the composition of UN teams, and no country should defy UN resolutions. But with several Security Council members, including Russia, China and France, reluctant to impose further sanctions, it is hard to see that it would approve the use of force to ensure compliance, so long as Iraq does not resort to force itself.

This pushes the burden of decision on to President Clinton. He has a cause: US inspectors are being expelled. He also has the capacity: the US has sufficient hardware in the region to launch an immediate

military strike on Iraq, and a national consensus: a weekend poll showed more than 60 per cent would support the use of righteous indignation, compared with 34 per cent who would oppose it.

The problem for Mr Clinton is, what then? The US believes the UN has the authority for a military strike under previous Security Council resolutions, but this is not a view universally shared. Even by asking for a new resolution on military action, the US could break the fragile unity of the Security Council; but if it strikes unilaterally, international opprobrium will be turned away from Iraq and on to the US.

If Mr Clinton does nothing, he appears weak.

On past performance the possibility of Saddam Hussein backing down looks remote. In which case, Mr Clinton may reason that a military strike should be sooner rather than later.

BY MARY DEJEVSKY

Iraq's unmonitored military potential.

The Iraqi deputy prime minister, Tariq Aziz, who has been trying to argue his country's case at the UN this week, blew hot and cold, but maintained the position he has presented consistently: "Iraq is ready to continue its cooperation with Unscm. Unscm could perform fully its duties, with any other personnel the chairman decides to

an unannounced inspection at an installation he said was for the security of President Saddam Hussein, and so, in his view, a matter of national security and sovereignty.

The consistency of Tariq Aziz's position, the defiant words of other Iraqi officials who say they are "not scared" of further sanctions or a military strike, and the overt preparations for war in Baghdad - the

The existence of a £15m Tory fund-raiser was denied by William Hague's office last night. With sleaze charges high on the agenda at Westminster, Anthony Bevis, Political Editor, reports on the mystery of the Australian 'swagman'.

The leader of the Conservative Party has submitted the name of Ronald J Walker, a prominent Melbourne businessman, to the Prime Minister for a knighthood. The Independent has been told. Authoritative sources have revealed that Mr Walker served as the Tories' overseas treasurer before the last election, and that he delivered foreign funds to the tune of at least £15m for John Major's 1997 election campaign. A spokesman for Mr Hague's office yesterday insisted that Mr Walker had not been a Tory overseas treasurer, "with-in living memory". But Mr Walker's name appears as one

of a number of honorary party treasurers on letter heading of the "Conservative and Unionist Central Office Treasurers' Department", used last year.

The Independent has been told Mr Walker's name was submitted to Mr Blair for a knighthood, along with that of Bernie Ecclestone, the Formula One motor racing chief who remains at the centre of a row over contributions to the Labour Party.

Following advice given to Labour by Sir Patrick Neill QC, the new chairman of the official Committee on Standards in Public Life, Labour is being forced to return a £1m donation from Mr Ecclestone, because of a ministerial decision to exempt Formula One from a ban on tobacco sponsorship in sport.

But The Independent has been authoritatively informed that Mr Ecclestone gave about £10m to the Conservatives, along with a loan of £4m, and those gifts are certain now to become a focus of attention for the Neill inquiry into party funding.

It is not known whether some of the Ecclestone donations were raised by Mr Walk-

er, but it was Mr Walker who negotiated the multi-million pound deal under which Mr Ecclestone agreed, in December 1993, to switch the Australian Grand Prix from Adelaide to Melbourne from this year.

The political significance of the allegations linking Mr Walker, the Tory party, overseas funding, Mr Hague and Mr Ecclestone will not be lost on a beleaguered Labour leadership.

Jack Straw, the Home Secretary, yesterday wrote to Mr Hague to ask "Are press reports accurate that Bernie Ecclestone made donations and loans to the Conservative Party, and in which case, what were the amounts and dates?" He also asked: "How much money have you received from abroad to fund election campaigns?"

Mr Hague replied last night: "Your attempt to divert attention away from the Government's decision to treat Formula One in a completely different way from other national sports ... is pathetic."

He also told the Home Secretary: "Before the summer, I instructed our party treasurers

that ... we will not accept foreign donations."

Mr Hague said in July: "We will publish new guidance later this year, and our intention is that in future years the Conservative Party will no longer accept foreign donations." His spokesman was unable to say last night when foreign donations would be stopped - although the Government is to make them illegal from next year.

It was disclosed yesterday that Sir Patrick had been asked by Tom Sawyer, Labour general secretary, to rule on the acceptability of a further, post-election donation from Mr Ecclestone.

The Prime Minister raised the issue in yesterday's Cabinet, during which a number of ministers said it was "ridiculous" that business donations should be questioned in this way - when all Government decisions regularly affected business in general and in particular. The No 10 spokesman said: "We get it in the neck for giving it back, and now we're getting it in the neck for not taking money."

Tobacco row, page 5

INSIDE TODAY

CHRIS EVANS/3
Boozier, big-mouth, great face for radio... and now a tycoon?

WHAT'S ON?
Film, music and reviews. 28 page weekend guide. In today's Eye

GIRL POWER/19
Suzanne Moore thinks the lad-bashing ads are a very good thing.



HAIRLESS?/16
Tough, go-ahead women are going bald. (Oh no, they're not.)



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TELEVISION The Eye, page 28
CROSSWORDS Page 28 and the Eye, page 25
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TODAY'S NEWS

Bankers spill the beans

The Independent eavesdropped yesterday on a confidential global video conference held for a Swiss bank's directors in London, New York and Hong Kong to discuss their acquisition of BZW's investment banking activities from Barclays Bank. The directors of Credit Suisse First Boston could hardly suppress their glee at bagging the British business for what the City viewed as a knock-down price of £100m. They discussed mass sackings and why they didn't buy BZW's business in Japan - because it was "a loser." Page 20

Breast cancer risk

A woman's risk of undergoing a mastectomy for breast cancer, ranges from zero to 80 per cent, depending on the surgeon treating her, according to a new study. It adds to existing fears about the variable quality of breast cancer screening in Britain. Page 9

SEEN & HEARD

In his time he has been wrongly accused of murder, kidnapped, and almost assassinated by Bill Clinton's cadillac. Now he has decided to retire from the front-line. Humphrey the Downing Street cat is leaving politics and moving to the country. It was rumoured that the venerable feline had fallen out with Cherie Blair although both strenuously denied it and agreed to pose for photographs. In fact the ageing mouser has been suffering from a kidney complaint and has been advised to take things easy. Downing Street insisted he will be sorely missed and welcome to visit at any time.

The mystery swagman who raised £15m for Tory party

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Tobacco row, page 5

Bière Blonde Finement Brassée en France

"33" EXPORT

LA PETITE BIÈRE BLONDE CÉLÈBRE

COLUMN ONE

Things ain't so dandy for this tough old cowboy

The kids of today. Having goaded the once liberal Jack Straw into raging about child curfews and juvenile tagging, they have now driven poor old Desperate Dan into retirement.

After 60 years of appearing in every edition of the *Dandy* comic, he has been dropped because he is no longer "relevant" in the world of the modern youngster.

DC Thomson, the comic's publishers, admitted yesterday that the decision would perturb many parents who had grown up with Dan's tales of Cow Pies and Owl Hoot Juice and regarded him as a figure synonymous with a contented childhood.

But Agnes Wilson, of the DC Thomson's editorial management team, said: "We know the character is relevant to parents but we don't know

how relevant he is to today's children." She added: "From time to time everybody reappraises the content of their magazines and comics. We wondered whether it was time to give him a rest."

The comic's editor, Morris Heggie, was yesterday sticking to the official *Dandy* line that Dan had gone happily of his own accord. "Dan was doing a bungee jump and struck an oil well with his mighty chin when the elastic broke," he said. "From his yacht, somewhere in the Bahamas, he has informed me that he is no longer desperate. So I'm looking for someone to fill his boots."

Desperate Dan - "The roughest, toughest cowboy in the West" - first appeared in the *Dandy* in the launch issue of 4 December 1937. He was inspired by celluloid cowboy heroes like Tom Mix, who were popular in the Thirties and who were also models for other cartoon figures like Buck Jones and Kit Carson who have preceded Dan into the sunset.

Dan's demise follows that of Korky the Cat, who recently lost his ever-present record in *Dandy* to be reduced to the status of a "now and again character". A similar fate has befallen Lord Snooty, once a regular of the sister comic *Beano*, which has also driven Big Eggo, the cartoon ostrich which once graced its cover, into extinction. The *Dandy* and the *Beano* both still sell in the region of 300,000 copies per issue, although that is a far cry from the million plus sales of the Fifties and Sixties.

DC Thomson is expecting some of these readers to mount a protest when Dan's departure becomes apparent with deliveries of the next issue. "We are waiting to see what reaction we get," said a company source.

Which might lead cynics to think that this whole affair is not unrelated to the recent publication of a new Christmas book, *The Legend of Desperate Dan*, which chronicles 60 years of the cowpoke's adventures.

Maybe this time the kids are not to blame after all. As a public relations company yesterday spread the news that Dan had gone, it seemed that even Cactusville, Texas, where Dan used to live with his Auntie Aggie, had succumbed to the world of hype.

— Ian Burrell

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PEOPLE



All's well that ends well for Wanamaker's vision

Sam Wanamaker, the man who brought us Shakespeare's Globe Theatre, was awarded a posthumous recognition of his vision last night.

The film director, who fought to rebuild the theatre for many frustrating years but who died in 1993 before his dream was fulfilled, was named the 1997 Ambassador for London.

Lord Reawick, chairman of the judging panel, said: "Sam Wanamaker receives our recognition for his extraordinary vision, leadership, energy and determination in realising his dream of recreating Shakespeare's Globe Theatre for the benefit of all Londoners and for countless visitors, artists and scholars in the future."

Sam Wanamaker visited London in the Forties, expecting to find a monument to the world's greatest playwright. Instead he found only a plaque commemorating the location of the Globe Theatre and vowed one day to remedy the lack of a memorial.

Thirty years later he set up a trust and began to raise funds. By 1995 more than £12m had been raised. This was matched by the same amount from the National Lottery and the Globe was secure.

Collecting the award on behalf of Wanamaker, artistic director Mark Rylance said: "Taking London as his family's adoptive home during the Fifties, Sam always loved London, and, with education at the heart of the Globe, Sam's vision encompassed young people and visitors of all ages, as well as the recreation of the theatre itself."

"We are all very thrilled that you have honoured Sam with a fitting title - Ambassador for London - and hope this will encourage the assistance we still need to fulfil all Sam's dreams for the project."

The theatre attracts thousands of visitors a week and the accompanying Globe Exhibition was last year named best attraction in Europe.

— Amanda Kelly

'Absolute bravery', said the Queen to Lisa Potts

Lisa Potts, the nursery nurse who saved children at a picnic from a man wielding a machete by shielding them with her own body, met the Queen yesterday - to be told: "You're absolute bravery."

The Queen praised the former nursery teacher's courage when she presented her with the George Medal, second only to the George Cross as the highest award a civilian can win for bravery, in a ceremony at Buckingham Palace.

Ms Potts, 22, said after the ceremony: "This award is totally gobsmacking, it leaves me speechless."

"I thought I was going to cry at one point before I went on, be-



cause of the music, the atmosphere, everything."

The Queen had asked her how the children she saved had fared - some were left badly scarred by

the attack by Horrett Campbell, 33, who is being held in a secure mental hospital for an unlimited period. Ms Potts said some of the children still had scars as a result of the attack last year at St Luke's Infant School, Wolverhampton.

"[The Queen] asked me how I was and how I was feeling. She said, 'You're absolutely bravery'. I said 'thank you very much, your Majesty, but it was purely instinctive'. She smiled and shook my hand," Ms Potts added.

The medal is the 17th award she has received in recognition of her bravery in protecting the children from Campbell.

Roger Cook pulls plug on show

Roger Cook, that doyen of foot-in-the-door reporters, has decided to pull the plug on *The Cook Report* after 12 years on ITV.

The investigative journalist, whose confrontational style meant him getting attacked by many of his targets, has decided to pull out because ITV's half-hour shows are not long enough to fit in a full story and because he is fed up with

being bashed around. Cook was on a stakeout yesterday, but his agent said: "Roger has really taken a battering over the last 10 years."

Steve Clark, Carlton Television controller of programmes, said: "He has been doing this job for 25 years now. In that time there is not one part of his body that hasn't been injured."

— Paul McCann

UPDATE

SOCIETY

More women seek Shelter

Record numbers of women are seeking help because of homelessness and poor housing, according to the charity Shelter.

The organisation said that more than 36,000 women - around a third of all clients - approached its network of advice centres during 1996-97. While the majority (21,414) were homeless, a further 10,000 had problems such as mortgage and rent arrears, and 5 per cent needed advice about accommodation problems such as domestic violence and landlord harassment.

"These figures explode the myth that homelessness is just a male problem," said Louise Casey, Shelter's deputy director. "Instead, they paint a disturbing picture of women whose lives are blighted by housing problems."

"Some of the most tragic cases we deal with are those involving women who flee a violent partner only to face the trauma of homelessness. This very vulnerable group are still not given priority for housing by many local authorities and all too often miss out on the safety and support they desperately need." The charity is calling for improved central and local government policies which reflect the diverse housing needs of women.

— Glenda Cooper, Social Affairs Correspondent

SEX

Disease warning for the young



One in ten sexually active young people could be carrying a sexually transmitted infection, according to new research from Brook Advisory Centres.

Costing the NHS an estimated £874m a year, STIs are most prevalent amongst the under-25s. Brook warns that although most people know about the dangers of HIV/Aids, few are aware of more common infections such as chlamydia, gonorrhoea and genital warts. Most STIs can easily be diagnosed and treated with antibiotics, but, left untreated, some infections can result in infertility, ectopic pregnancy and cervical cancer.

"The message we're hearing from young people is that they don't receive enough relevant information about infections," said Margaret Brook, the charity's chief executive. Yesterday, Brook launched a teaching pack entitled *Infection Protection* for schools.

● *Infection Protection*: £24.95 from Brook Publications, 165 Gray's Inn Road, London WC1X 8UD

— Glenda Cooper

HEALTH

Diabetes costs NHS £4,000 a minute

Treating diabetes costs the National Health Service more than £4,000 a minute, according to figures released today.

But the bill could be reduced with better education about the condition and early diagnosis, the British Diabetic Association (BDA) said. Treatment for the condition accounts for £2.1bn of the annual NHS budget and diabetes is the single biggest cause of blindness in people of working age in the UK. The news comes on World Diabetes Day and coincides with the launch of NHS guidelines on how to educate the public and sufferers about the condition. More than 1.4 million people in Britain have diabetes and the BDA estimates there may be another million undiagnosed.

TOURIST RATES

Australia (dollars)	2.37	Italy (lira)	2,801
Austria (schillings)	20.04	Japan (yen)	210.99
Belgium (francs)	58.92	Malta (lira)	0.63
Canada (\$)	2.33	Netherlands (guilders)	3.21
Cyprus (pounds)	0.83	Norway (kroner)	11.73
Denmark (kroner)	10.91	Portugal (escudos)	289.33
France (francs)	9.54	Spain (pesetas)	240.02
Germany (marks)	2.86	Sweden (kroner)	12.51
Greece (drachmei)	451.03	Switzerland (francs)	2.33
Hong Kong (\$)	12.75	Turkey (lira)	301,902
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BBC

سكزا من الاربعين

Paul Daniel: How to save the ENO

has a pretty interesting life. The downside to this is that if his bid for Virgin were to succeed, the radio industry watchdog probably knows more about him than he would like.

The Radio Authority has to approve the ownership of com-

[illegible]

Voting in Commons may go electronic

Electronic voting in the Commons could become a reality, the Leader of the Commons, Ann Taylor, told MPs last night. She said the Modernisation Committee was looking into the "feasibility and desirability" of electronic voting, but that it was likely MPs would not be able to use the system if they were outside the chamber or the division lobbies.

Mrs Taylor, opening a debate on the modernisation of the House, said the Government had managed to start reforming Commons procedures, but more work was needed.

The Shadow Leader of the Commons, Gillian Shephard, said the Tories welcomed the general thrust of what the committee was trying to achieve, but stressed that change had to be evolutionary.

Mrs Taylor said: "Once we have spent some time as members here, it's very obvious that there are debates that are not as fruitful and productive and enlightening as they might be."

She added that the Government had already started bringing in draft Bills which could be discussed before formally presented to the House.

Mrs Taylor said some MPs were especially concerned about congestion in the voting lobbies. The Modernisation Committee would be taking evidence on the advantages of electronic voting, but she stressed there had been no decision on whether to introduce it for a trial period yet.

"Any voting should actually take place either in this chamber or in the lobbies... rather than have some form of remote voting introduced."

As well as examining the "feasibility and desirability" of electronic voting, Mrs Taylor said the committee was looking into the schedule of the parliamentary year, week and day.

She said: "It is impossible to please everyone but what we are trying to do is to devise a system that will allow all 659 members to undertake their jobs in their individual ways that they think is most appropriate to their constituents."

Mrs Shephard said the Opposition had supported the work of the Modernisation Committee but stressed that the Conservatives supported change only if the sovereignty of Parliament was retained.

Earlier in the Commons, during questions about the business of the House, Labour's Harry Barnes (Derbyshire NE) had called for electronic voting.

He said as a "little bald-headed, 60-year-old man, who wears glasses and has false teeth and whose trousers do not match his jacket", he might seem an "unlikely moderniser". But a "modern, technologically up-to-date electoral system" was needed.

Mr Barnes, who has long campaigned for electoral reform, yesterday brought forward a Bill to amend the Representation of the People Act to make it easier for the homeless to be included on electoral registers.

Mrs Shephard urged Mrs Taylor to look in the future at the work of select committees, applauding their successes, but warning: "I don't think they should be asked to respond instantly to the political flavour of the moment."

But Mrs Taylor told her that although they could eventually be considered, select committees were "not an immediate priority, not least because I think that most people think they work quite well".



John Major, Baroness Thatcher, Lord Callaghan of Cardiff and Tony Blair (left to right) were among the prime ministers past and present who attended the memorial service of Lord Tony Pandy, the former Speaker, at Westminster Abbey yesterday. Photographs: Peter Macdiarmid

Harman plans work-ethic route to welfare reform

The Government's 'big issue' is social exclusion, the Social Security Secretary said yesterday. Glenda Cooper, Social Affairs Correspondent, looks at Harriet Harman's plans to combat a divided nation.

Harriet Harman yesterday ruled out higher benefits as a way of tackling unemployment saying that the welfare state would be "reformed around the work ethic".

"We want to make the mainstream economy - with its opportunities and its risks - the main path out of exclusion for all people of working age," she

told an audience at the launch of the Centre for Analysis for Social Exclusion, an independent unit at the London School of Economics.

The centre was opened as the Government sets up its own social exclusion unit in the Cabinet Office. Ms Harman said that the two events were "enabling the academic world and the Government to come together to confront what is the big issue of this administration".

"Work is the only route to sustained financial independence, but it is also much more," she said. "Work is not just about earning a living. It is a way of life... [We will] ensure that work pays wherever possible by implementing a national minimum wage and reforming the tax and benefit systems."

Saying the Government wanted to rebuild an "one-nation" society, she defined the socially excluded as those deprived of work, education, material goods, transport, health-care and financial services.

The ESRC centre will use newly available national survey data to follow people from year to year to investigate how their incomes change and look at issues such as the long-term effects of changing family patterns. It will also track the fortunes of particular areas to explore why some people improve and why some are locked in deprivation. "It is crucial that we understand how the areas in which people live affect their lives and life chances," said Dr Anne Power who will co-ordinate the research.

Hezza to lead pro-hunt MPs

Michael Heseltine will lead the Commons assault on the Bill to ban fox hunting. The former deputy prime minister and dedicated bird watcher has told country sports supporters that he will be taking a leading role in speaking against the Bill on its second reading on 28 November. John Gummer, the former agriculture minister, is also ready to wade into the debate on the side of country sports.

"Hezza has said he will lead the debate with Gummer falling in behind. They are the grandees," said one pro-fox-hunting Tory MP. Mr Heseltine's intervention is certain to raise the pitch of the debate, which is already stirring up passions ahead of the second reading.

Mr Heseltine has been keeping a low profile since his intervention to defend the euro from the Euro-sceptics in the

Tory party. He joined the pro-hunt rally in Hyde Park in July, attended by an estimated 100,000 hunt supporters.

Downing Street has refused to give the Bill time to reach the statute book if it is ambushed, as expected, in the Lords, and the Bill's sponsor, Labour MP Mike Foster, has not been told whether or not Tony Blair will be in the Commons to vote.

— Colin Brown

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INDEPENDENT

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7/MILLENNIUM

The third lottery giveaway – £220m to build the future

The Millennium Commission yesterday announced its third and final phase before winding down next spring. *Nonie Niesewand, Architecture Correspondent,* reports that it is giving away £220m of Lottery money to 71 projects nation-wide that will open in 2000.

The Commission has already committed funds for 185 projects, at present in design stages or under construction – or as officials call it “sod cutting and dredging”.

So the struggling act had to spread money evenly across the board. Not too many earth centres, youth centres, bridges or bell towers. Some drinking fountains and village halls. No lighthouses, amusement arcades or theme parks.

It also has to balance the different regions with a good spread so that million-pound signs representing lottery handouts pinned on a map of Britain wouldn't all fall like raindrops on the weather chart over, say the North-east.

The steel mill at Rotherham gets £18.6m for a leisure centre focusing on British Industry; Hull gets an aquarium and an ocean centre. Northern Ireland has done well this time round with four schemes: a community centre in Londonderry and Ulster, a town quay in Fermanagh and a linen experience at Moygasheh, which is “right and proper since the projects will help in bringing together the community,” Chris Smith, Secretary of State for Culture, Media and Sport, said.

Wales comes in second. East Midlands finished worst off because officials there did not submit much. But then the Midlands Rolls-Royce Trent Engine, with titanium fan light enough to get 36 more passengers aboard every jet, is heading the Millennium Products Collection as well as the export tables. North Berwick has a Scottish seabird centre and there are two science projects in Glasgow and Dundee.

Bridging was the unspoken agenda, as in bridging loans as well as linking different regions. Representing that optimistic scene were two foot bridges symbolising all

that is innovative about British ingenuity and engineering. Chris Wilkinson's bridge across the Tyne can be raised like the visor on a motorbike helmet, while Sir Norman Foster is working with Anthony Caro and Ove Arup on the Millennium Bridge linking St Paul's Cathedral to the new Tate Gallery at Bankside.

The rest fall neatly into five categories: Science and technology, the re-generation of cities, support for local communities, environmental sustainability and education, not to be confused with schools since a popular misunderstanding is that the Millennium Commission can fill in for taxes to bolster schools and hospitals and anything else that needs government funding.

It cannot. Lottery money has to be spent on projects that improve the quality of life for citizens in 2000. Mr Smith, who is also the Commission chairman, points out that “these projects represent the aspirations of the public. They represent a very positive statement about Britain.”

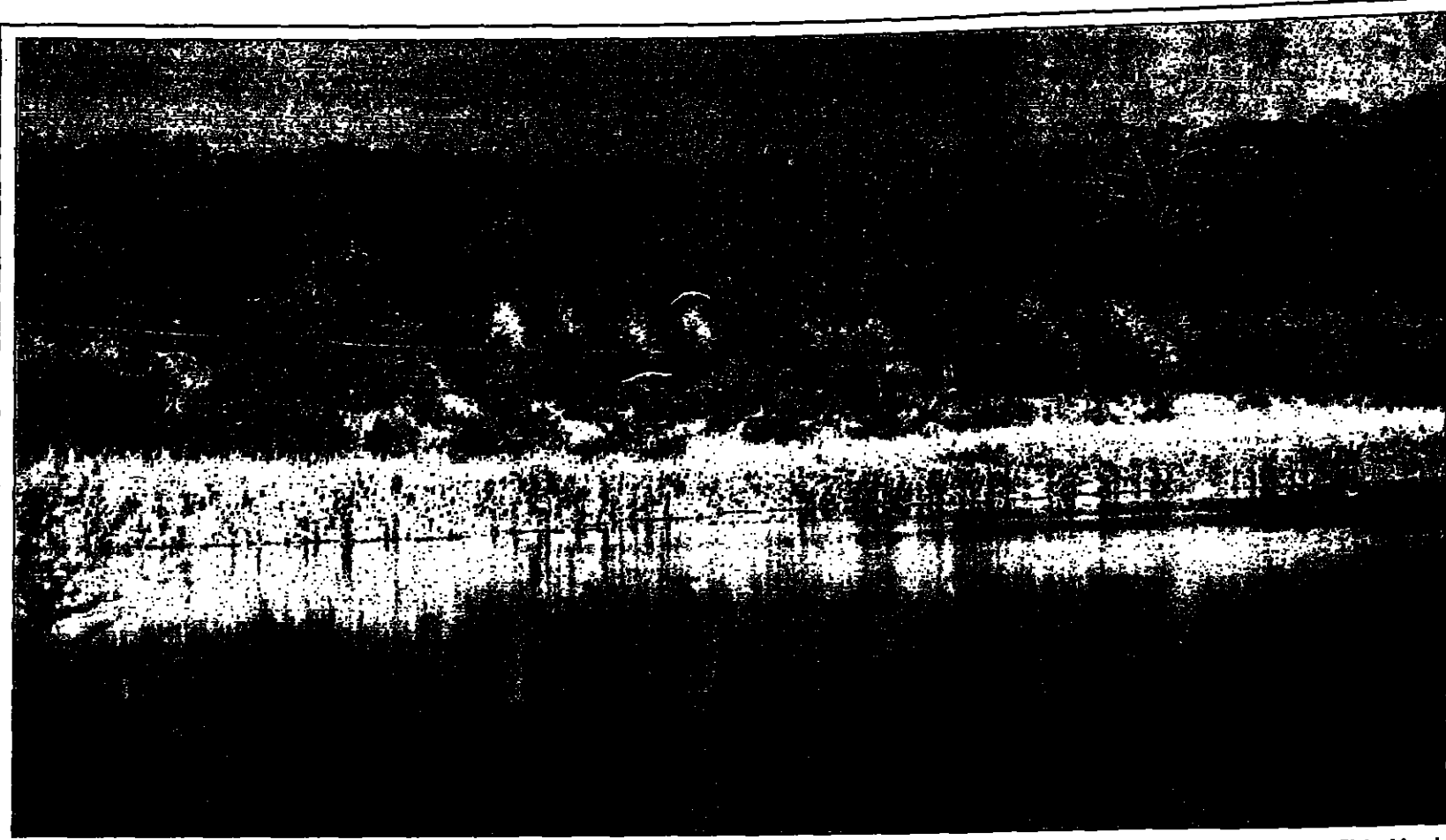
Science and technology (a favourite) have the National Science Centre on site in Glasgow in association with one in Dundee. The bridges and three public squares in Coventry, Leeds and York will help to revitalise the city centres.

Support for local communities is centred around 36 grants to local village and community halls. Environmental sustainability is the buzz word with the house of the future illustrating renewable energy designed by Richard Rogers partnerships and DCA at Wandsworth in south London.

Education has Everyman's library sending a million books to 4,500 schools in the country with CD-ROMs and the Welsh Centre in Cardiff as well as cultural events in Londonderry.

Two and a half years ago the Millennium Commission was established as an independent body under the National Lottery Act 1993, one of five causes that shared 28p of every pound spent on the National Lottery. Today it represents the largest non-government funding investment in the United Kingdom social infrastructure.

Imaginative and constructive projects have to benefit people throughout the UK they also have to meet a deadline, the year 2000. That is why this is the final phase though there is some money in the pot.

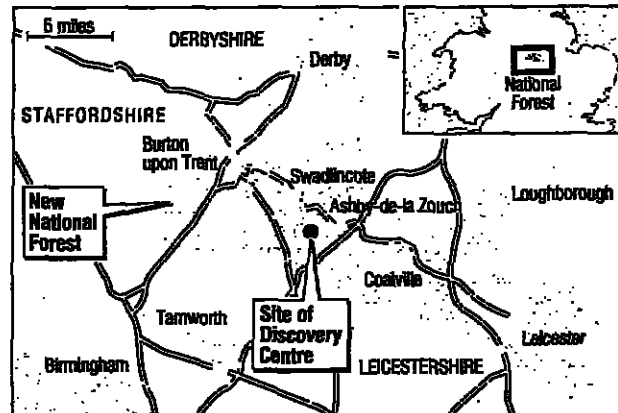


Money grows on trees: Part of the forest land near Ashby-de-la-Zouch that is to be helped with lottery funding

Photograph: Philip Meech

Nation's green heart to heal the scars of industrial past

A huge forest in the Midlands is to get a heart, with a £13m Discovery Centre, country park and other attractions helped by lottery money. *Environment Correspondent Nicholas Schoon* examines one of the largest derelict land reclamation projects in Britain.



Unnoticed and largely unknown, a vast forest the size of a county is starting to take shape in countryside scarred by mining and quarrying north of Birmingham. At the moment it consists of hundreds of thousands of saplings.

Yesterday this ambitious but unrecognised project got its best chance to date to acquire an identity, with the announcement that £6.2m of lottery money from the Millennium Commission would be injected into its heart.

It was one of 71 schemes receiving £221m in the final round of grants from the commission, all of them due to be completed and open to the public by the end of 2000. Northern Ireland received more money per person than other region of the UK.

The money will go towards a forest park eventually covering 500 acres of derelict land, landscaped into the shape of a giantic handprint, and a new National Forest Discovery Centre. There visitors will see virtually reality displays – computer generated, three-dimensional illusions showing what the mature forest will look like in 20 years time. They will learn about the ecology and history of woodlands in Britain and the world, and how their timber and other products can be sustainably exploited.

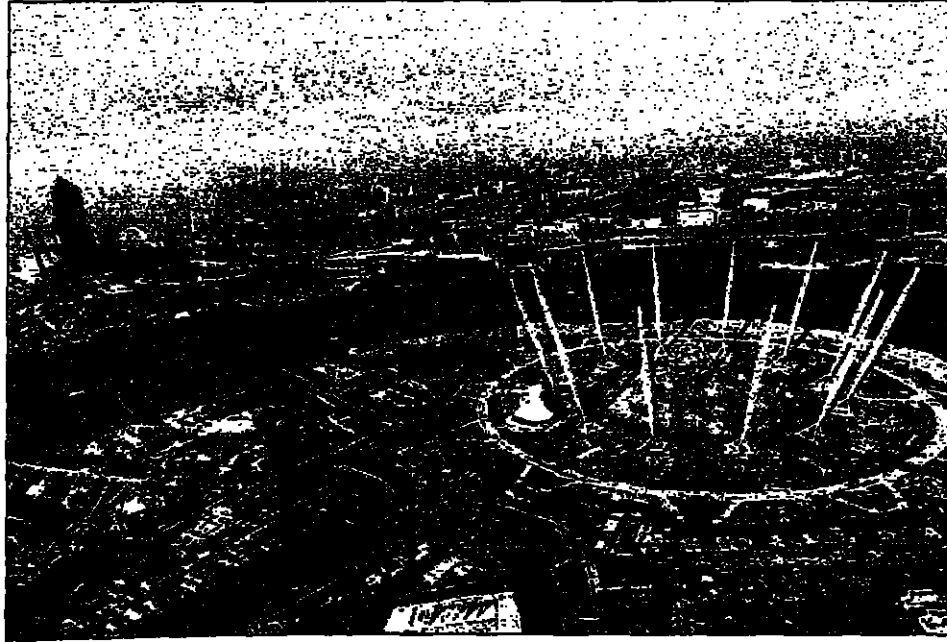
Plans for the forest were first announced by Conservative Government more than eight years ago. Its designated area, covering nearly 200 square miles, sprawls across parts of Staffordshire, Derbyshire and Leicestershire.

The landscape has been ripped open by clay and gravel extraction and opencast coal mining. The local economy has also been hit hard by the closure of all of its deep mines, and this has contributed to the widespread dereliction of the landscape. The new country park and discovery centre will be sited on the remains of Rawdon Colliery, the last of Leicestershire's mines to close.

The project is backed by English Partnerships, the Government's land regeneration arm, the Forestry Commission, the Rural Development Commission and local councils. With yesterday's announcement, all but £1m of the total £13m needed has now been identified, with the rest to be raised by appeal.

The Dome will be fantastic – but don't ask me how, says Heseltine

The Millennium Dome will cause people to marvel, former deputy Prime Minister Michael Heseltine told a Commons select committee yesterday. But David Lister also heard him tell MPs that he did not know how to sell the vision to the public.



Vision thing: The Dome site seen from 900ft yesterday

Photograph: Brian Harris

The select committee inquiring into the Millennium Dome was told by the former deputy prime minister Michael Heseltine that no one could yet say what the finished exhibition there would look like. But he promised: “I can tell you that 10 years from now people will marvel at what has happened.”

He said of the £758m project in Greenwich: “It's a fantastic site and it's going to be quite wonderful but don't ask me how.”

This failed to satisfy Labour MP Claire Ward, who fired a series of questions at Mr Heseltine, who oversaw the early stages of the project and remains involved as a Millennium Commissioner. She said: “You say it's going to be wonderful but don't ask me how. That's why there's so much scepticism among the public.”

“They see a Dome but they don't know what's going to be in it. Don't you think you should have sold the vision to the public?”

Mr Heseltine replied: “I just don't know how to do that. I don't see how you take a bombed out empty site and sell the finished package before you've actually got the package. You have a bombed out site. How do you sell that vision? You simply say I believe in the festival.”

Ms Ward responded: “I still think there should have been a little more substance to the idea because there was so much capital expenditure involved. We still don't have any share in the vision.”

Mr Heseltine told the Culture, Media and Sport Committee that the Dome would bring in millions of pounds from tourists. Asked why it wasn't going to be a permanent structure, he said: “If you'd gone for a traditional-looking structure you'd have been vilified by the modernists. If you'd gone for a modernist structure you'd have been vilified by the classicists.”

Mr Heseltine went on to launch an attack on Labour's pre-election handling of the project. He accused the then opposition of approaching the scheme in a spirit of “unprincipled” and “macho” politics, which he said caused unnecessary delay.

Before the election, Labour demanded assurances about the project before committing itself – on the grounds that it would inherit it in government.

Mr Heseltine said there was now no room for further serious delay: “There is a critical path and we're on it. The then opposition's behaviour before the election I regarded as regrettable.”

Mr Heseltine is now the Tories' representative on the

Millennium Commission which is overseeing the Dome project, as well as on the special co-ordinating group.

“As such, I have access to the information. Before the election, my role was played by Michael Montague, now Lord Montague. He knew everything about the project. He had all the information.”

“He certainly gave the Commission the impression that he had consulted the equivalent and responsible people in the Labour Party.”

“What actually happened is that it turned out that he was a busted flush. The moment the heat came on, he was swept aside effectively by Tony Blair and his colleagues, who in my view sought to make political macho politics of their determination to fix budgets.”

“We were always going to fix budgets. Michael Montague knew what we were going to do. He had agreed to it and told us Labour had agreed to the procedures. So I did regard the jockeying before the election and the delay before the election as unnecessary and unprincipled.”

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War on drugs has failed to stop rising tide of addiction

Britain's efforts to tackle drug abuse are simply not working. Despite millions being spent on campaigns, a drug "epidemic" is developing and a radical approach is needed, *Glenda Cooper, Social Affairs Correspondent*, talks to the experts.

One in three children will grow up addicted to drugs, alcohol and tobacco, the leading research charity Action on Addiction warned yesterday. But despite a massive investment in drug education - £50m alone in the last three years - it is failing to change young people's attitudes and behaviour.

Rather than investing in "panda cars" and pop propaganda, we should be putting money into studies to find out what will be effective in combating drug abuse, said Professor John Strang, of Action on

Addiction and former head of the Government task force on drugs. Launching a £1m appeal for the charity, he warned there was an "epidemic still in development" with the number of heroin addicts doubling in the last three years. Despite policies to restrict supply, the price of heroin in real terms has halved between 1986 and 1996, suggesting significantly increased availability. At the same time, purity of the heroin has increased.

And in some areas of Britain drugs have become a way of life. A study of children in a deprived area of Glasgow found that nearly a third of 12-14-year-olds had experimented with at least three illicit drugs. Many of those questioned viewed their drug use as recreational and "it was common for [them] to be puzzled by the suggestion that their drug use was problematic or dangerous".

Professor Strang said yesterday: "It is disappointing that the new post of Drugs Tsar comes from the US. It is extremely a strange role model

to choose when you look at the extent of the drugs problem, which dwarfs our own."

He said that the best way to deal with heroin was to apply market forces and treat it as another business. By cutting off supplies effectively, prices would go up and many occasional or novice users would be dissuaded from trying the drug.

"It works the same way as alcohol or tobacco. If you increase the price by 10 per cent in real terms [the number of users will fall] 5 to 10 per cent over all." But he added that this would only work if it was coupled with help and rehabilitation.

"It's too simplistic and convenient to isolate drugs as a social issue and blight. The Glasgow study shows the extent of drug use amongst young people and many see this as a positive, recreational part of their lives. We need credible education initiatives which can compete against all the other sources of information, such as friends, newspapers, magazines, television, music and films."



Royal farewell: The Royal Yacht Britannia passing Greenwich yesterday on her way up the Thames for the last time before being decommissioned. The vessel will be docked at the Pool of London until 21 November before leaving for her last royal duties in Portsmouth. Photograph: Brian Harris

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IN BRIEF

Czech gypsies refused aid

The flow of Czech gypsy asylum seekers into Britain switched from Dover to the centre of London yesterday as Westminster City Council leaders called on the Government to intervene.

A total of 60 Czech gypsies arrived at an advice and assessment centre in Westminster seeking asylum. Nikki Page, Tory chairman of the Westminster City Council's housing committee, said: "The Government has got to act. Local government cannot cope with these people."

The asylum seekers told officials that they had taken a coach to London to avoid a British National Party protest march in Dover tomorrow, but they were put back on a coach to return to Dover last night.

Ms Page estimated that in Westminster alone, the asylum seekers were costing £169,000 a week - equivalent to an extra £1.70p per week on the rates.

Ferry operators were yesterday taking legal advice after the Government threatened criminal charges over their refusal to pay for the return of Czech and Slovak gypsy asylum seekers at Dover. The immigration minister, Mike O'Brien, accused directors of the two biggest companies, P&O and Stena, of "flouting" the law following a heated meeting at the Home Office.

— Colin Brown
Chief Political Correspondent

Mountain railway rides into a storm

The Government's stock among conservationists plunged yesterday with the approval of most of the public money needed to build a funicular railway on Cairn Gorm, one of Britain's highest mountains. Only a courtroom challenge now appears to stand in the way of the town's £17m project.

Scottish Office ministers were divided over the railway, intended to boost the Aviemore ski area and create a year-round attraction. The semi-arctic Cairngorms are valued by mountaineers for their wild quality and by conservationists as a breeding ground for rare birds such as the Dotterel and Ptarmigan. But Donald Dewar, Secretary of State for Scotland, has supported the view of local councillors and the quango Highlands Enterprise that the railway is crucial to economic rejuvenation.

The Cairn Gorm Chairlift Company say the funicular will

provide 50 new jobs. The next hurdle will be on Tuesday at the Edinburgh Court of Sessions when the RSPB and Worldwide Fund for Nature will argue the railway would breach European environmental law.

Yesterday, backers of the scheme were believed to be lodging a £2m application for European Regional Development funding. This, together with the court case, could be a deciding factor in the success of the project. The start of work on the railway will bring to an end a long-running political row, inherited by the Government from the Tories, which has seen ministers at odds on the value of the scheme. Bill Wright, of the Cairn Gorm campaign, said the Government's decision was extraordinary when there were so many doubts about the financial viability of this scheme and its potential effect on a fragile mountain habitat.

— Stephen Goodwin

IRA denial

The IRA yesterday issued a fresh denial that the organisation is split over the maintenance of its ceasefire and the continuation of the peace process which has taken Sinn Féin into multi-party talks at Stormont.

The group insisted that it remained "intact, united and committed", describing reports of major disagreements and wholesale resignations as fanciful and greatly exaggerated.

Republican sources admit that a small number of resignations have taken place from both the IRA and Sinn Féin, but vehemently deny claims that 20 senior IRA figures have resigned and that 35 members of the organisation's key South Armagh unit have walked out.

— David McKittrick
Ireland Correspondent

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9/HEALTH

Breast cancer treatment is variable and substandard

A woman's risk of undergoing a mastectomy for breast cancer ranges from zero to 80 per cent depending on the surgeon to whom she is referred. Jeremy Laurence, Health Editor, says the finding adds to fears about low standards of treatment in the UK.

A world-wide review of breast cancer treatment has established that for women with early-stage tumours removing the lump is as safe as removing the whole breast, provided it is accompanied by radiotherapy and drug treatment.

The NHS breast screening programme was set up in 1988 to detect cancers at a stage when the small size of the tumours allowed for less radical surgery.

Yet the treatment women actually receive varies widely, depending on the individual preference of the surgeon responsible for them, according to a study published tomorrow.

The review of 600 post-menopausal women with breast cancer who were treated by 35 surgeons has shown that the mastectomy rate varied from nil to 80 per cent. The variation was not linked to size of tumour or severity of disease.

The unnamed surgeon with the 80 per cent mastectomy rate had performed the operation on eight out of the ten breast cancer patients he had treated during the period of the study in 1991-92.

Five surgeons had treated only one patient and another five surgeons had managed five or fewer patients.

Those surgeons with higher caseloads of more than 20 patients had a lower mastectomy rate - at 15 per cent, suggesting a more modern approach to treatment - than those with smaller caseloads.

International comparisons show that 45 per cent of British women diagnosed with breast cancer die within five years compared with 21 per cent in the United States, 35 per cent

in France and 40 per cent in Germany. The Cancer Research Campaign has blamed the discrepancy on poor standards of treatment in the UK.

The current study, published in the *British Medical Journal*, was conducted in the former south-east Thames region of the NHS, covering Kent, east Sussex and south-east London. Figures for 1995-96 show that that region had the highest number of screen detected cancers operated on by surgeons with a caseload of less than 10 breast cancer patients a year.

One in five patients in the study did not receive radiotherapy, including 51 of 317 patients with unfavourable tumours. Radiotherapy has been shown to reduce local recurrence of the cancer in the breast, regardless of whether the tumour is classified as favourable or unfavourable, although it does not affect overall survival.

The authors of the study, from the Breast Screening Quality Assurance Centre at King's College Hospital, London, say: "Women should not be put at increased risk of local re-

currence by not having radiotherapy because the quality of life must suffer."

In addition, although most surgeons gave the hormonal drug tamoxifen, 26 of the 600 patients did not receive it, despite the fact that it has been shown to have a "clear survival benefit" for post-menopausal women, and the benefits outweigh the risk of side effects.

Chemotherapy, which may delay local recurrence of the disease in some patients, was given to less than 3 per cent of the women, but the authors say the evidence may have been too new to influence treatment decisions at the time of the study in 1991-92.

They warn that more consistency in treatment is required that does not depend on individual "surgical preference" and that the current guidelines issued to surgeons are deficient.

The NHS Breast Screening programme has a target of cutting deaths by a quarter by the year 2000. The authors say: "Sub-optimal treatment ... could compromise [the target's] success."

Warning over birthing pools



Birthing pools, in which women deliver underwater, may ease the passage from womb to world but they carry a formerly unrecognised danger to the baby. Doctors at the Chelsea and Westminster hospital, London, report a case in which a baby girl narrowly escaped permanent brain damage after being born in a pool hired by her mother at home.

The girl was born normally and the mother stayed in the pool cradling her while waiting for the afterbirth. When this had not arrived after 30 minutes, the mother got out and the midwife clamped the umbilical cord carrying the blood vessels linking the mother with the baby.

The next day the baby was floppy and not feeding properly. Hospital tests showed she had very thick blood with almost twice the normal quantity of red blood cells. Thick blood carries a danger that it may sludge in small blood vessels in the brain causing permanent damage. In this case the baby was treated to dilute her blood and made a complete recovery.

Dr Ed Abrahamson and colleagues, writing in the *Lancet* medical journal, say the problem was probably due to blood draining from the mother's afterbirth into the baby while they were still in the pool. In a normal birth the blood vessels in the umbilical cord constrict on exposure to the air but in a birthing pool where the water is kept at around 36C cord blood vessels may stay open much longer.

The doctors advise mothers using birthing pools either to get out of the water or to clamp the cord within a minute or two of delivery of the baby.

— Jeremy Laurence

Womb to water: Doctors have now warned mothers that staying in the water too long after the birth without clamping the umbilical cord could damage the baby

Cell discovery leads to drugs rethink

Scientists are claiming that a discovery about the way cancer cells grow could lead to kinder treatments that are also more effective. Jeremy Laurence reports on a surprise finding.

Stopping cancers growing may be simpler than has been thought. Researchers have found that the signalling mechanism which determines whether a cancer cell lives or dies is located on its surface, not inside it protected by an impermeable membrane, and should therefore be an easier target for new drugs.

Scientists from the Imperial Cancer Research Fund say the discovery, published in the US journal *Science*, opens the way for a new generation of cancer drugs that would be less toxic than those currently used.

Instead of poisoning the cancer cells, the new drugs would manipulate the appropriate on/off switches on their surface. This should mean an easier and safer way of treating patients with cancer.

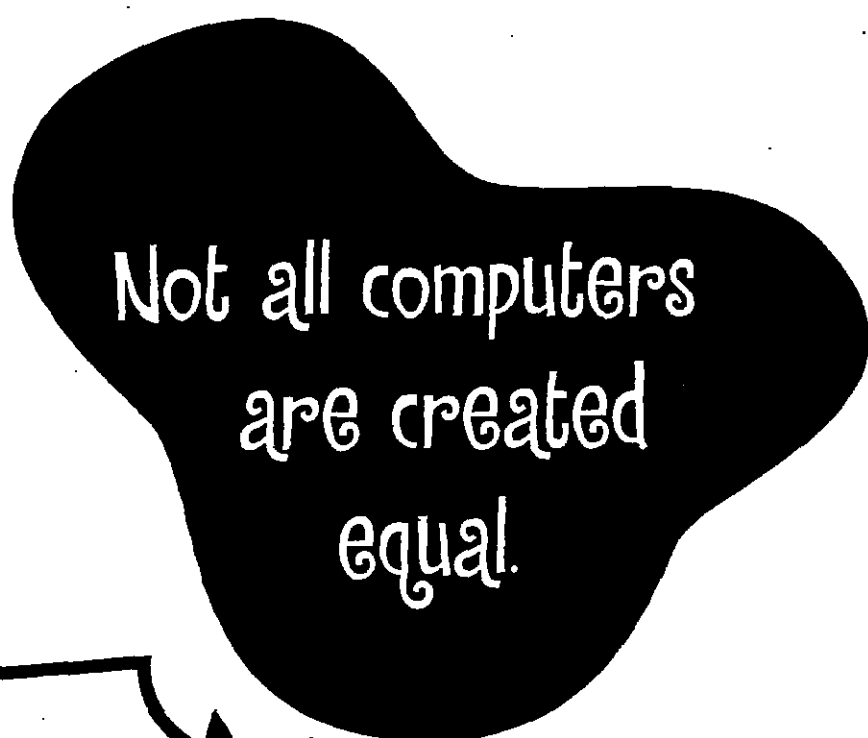
Professor Gerard Evan, head of the research team, said: "The results have been totally unexpected. There was no reason to believe that the 'abort' programme that destroys tumour cells should operate via the cell surface."

The growth of cells is known to be controlled by a process known as apoptosis, or cell suicide, which prevents any rogue cells taking over the body. In cancer, the suicide

programme becomes blocked, leading to uncontrolled growth of the cells, resulting in a tumour.

Professor Evan said: "We have now found that the suicide programme is routed out of the cell and then back in through its surface. This new discovery of how cell death is triggered is very important for understanding how cancer cells arise. It also suggests novel ways of selectively attacking cancer cells without damaging normal ones."

Commenting on the finding, Andrew Wylie, professor of experimental pathology at the University of Edinburgh, said: "This new discovery will mean that drug companies can start to research a new generation of cancer drugs that may well increase survival rates."



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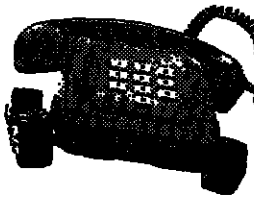
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Ministers want to ban calculators in class

The Government is ignoring curriculum advisers who say calculators are not bad for young children's maths. Judith Judd finds out why ministers want to banish them from the classroom.

Ministers have spurned recommendations from their own curriculum advisers and are trying to ban calculators for all primary school pupils. Angry mathematicians say the decision flies in the face of research which shows that calculators are not to blame for the nation's poor performance in maths.

Calculators have long been under attack for damaging children's mental arithmetic. Before the election, David Blunkett, the Secretary of State for Education, said that he intended to ban calculators for children under eight. But an unpublished report for ministers from the Qualifications and Curriculum Authority found no evidence of a link between calculators and poor mental arithmetic among infant pupils.

Now Estelle Morris, the

schools standards minister, has written to the authority saying that the use of calculators should be strongly discouraged not only for the under-eights but for all pupils up to 11. Even in secondary schools, she says, their use should be reviewed.

Ministers have discovered that they cannot enforce a ban on calculators without changing the law but they are insisting on guidance to teachers warning against their use.

Ms Morris has told Sir William Stubbs, the authority's chairman, that the recommendations "do not go far enough. Our firm view is that the Government's drive to raise standards of numeracy in primary schools would be best served by strongly discouraging calculator use in primary schools. Mental calculation must be accorded a central place in the teaching of mathematics and should always be used as the first resort method of calculation."

However, the report on calculators for infants says: "The evidence ... indicates that the use of calculators is generally infrequent and there are few schools in which pupils have ready and regular access to calculators." Nor is there any evi-

dence that the use of calculators makes much difference to pupils' maths, the report says. Other features of teaching are much more likely to be to blame.

Professor Sig Prais, of the National Institute of Economic and Social Research, said he was unconvinced by the report. "You have to get the basic mental skills firmly implanted and that cannot be done if children are using calculators."

The recent Third International Maths and Science Survey found that the five highest scoring countries used calculators much less frequently than the low scoring countries.

But Professor Margaret Brown, of the Government's numeracy task force, pointed out that, in England, the 13-year-olds who did best in the survey were those who used calculators most frequently. "Teachers are not using calculators instead of doing mental arithmetic. They are using them to develop skills such as developing ideas of number and for reinforcing what people have learnt," she said.

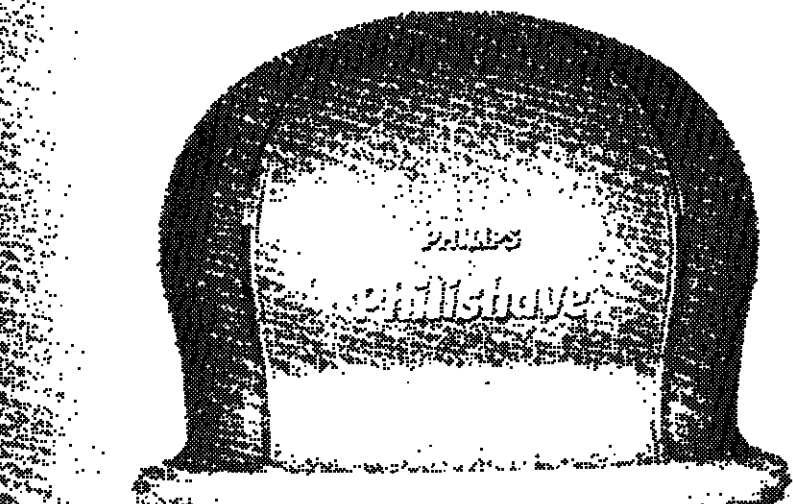
"Children like calculators. They are motivating and they show that the maths at school is like the maths people do outside."



Abreast of fashion: Olympic bronze medallist Graeme Smith trying out Speedo's new unified goggles and hat in the pool at Hyatt Carlton Tower in London. Speedo claims their Speed Mask makes swimmers go faster
Photograph: Peter Macdiarmid

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Meningitis drug hope

Hopes of finding a way to stem meningitis child deaths were raised yesterday by results from the first patient trial of a new drug.

Despite treatment with antibiotics, between 20-50 per cent of children who contract the dangerous blood infection meningococcal septicaemia die, usually within 24 hours. Those who survive are often left disabled from brain injury or suffer gangrene leading to the loss of limbs.

The new drug, a genetically engineered version of a protein produced by human immune cells to combat infection, dramatically cut the expected number of deaths in a small group of seriously ill children. The researchers, led by Dr Brett Giroir at the University of Texas in the United States said the results were far better than expected for such ill patients.

Scientists have now launched a major trial of the drug, recombinant bactericidal/permeability-increasing protein (rBPI), in Britain, the US and Canada.

Bloom's kosher court appeal

The man who ran Bloom's, the famous Jewish restaurant in the East End of London, yesterday launched a High Court attempt to overturn a religious court's decision to ban him from the kosher food business.

Michael Bloom lost his livelihood after non-kosher meat was found in a refrigerator at the restaurant in Whitechapel, London, two years ago.

Michael Supperstone QC, for Mr Bloom, said Mr Bloom was "kept in the dark" about a crucial statement from a driver confessing that he was to blame for the serious breach of strict Jewish dietary law.

He said the London Beth Din (court of the chief rabbi) had put Mr Bloom out of business, even though the judge presiding over the tribunal knew of the driver's confession, and asked the High Court to order a re-hearing by the religious court.

Bogus officials strip boy, 5

A mother was "horrified" to discover that two social workers who carried out a strip-search on her five-year-old son at her home were bogus officials, police said yesterday.

Devon and Cornwall Police are hunting the man and woman involved in the incident in Plymouth on Wednesday, Sergeant Nick Yates said. "The child was physically uninjured, but we do not know what effect this has had on him. We want to hear from anyone who thinks they might have had a visit from this couple."

The white couple were allowed into the home in the North Prospect area after producing some form of identification. They told the 31-year-old mother complaints had been made that her son had been assaulted and burned with cigarette ends, said the police.

The police said the man was about 45, 6ft tall, of average build with short mousy hair, and had a moustache with curly ends and a goatee beard. The woman was aged 35, 5ft 2 in, with bobbed, streaked hair.

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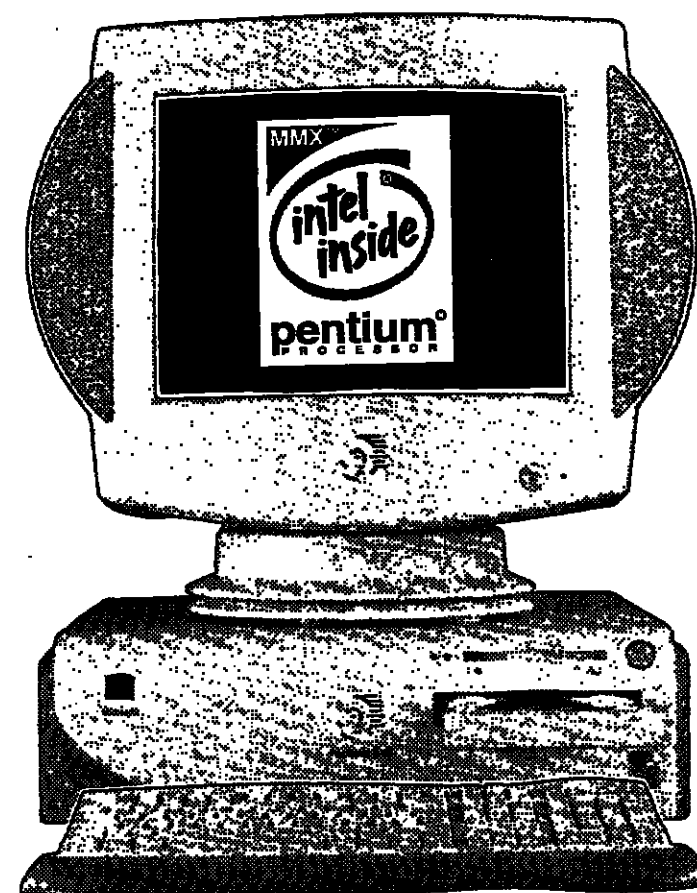
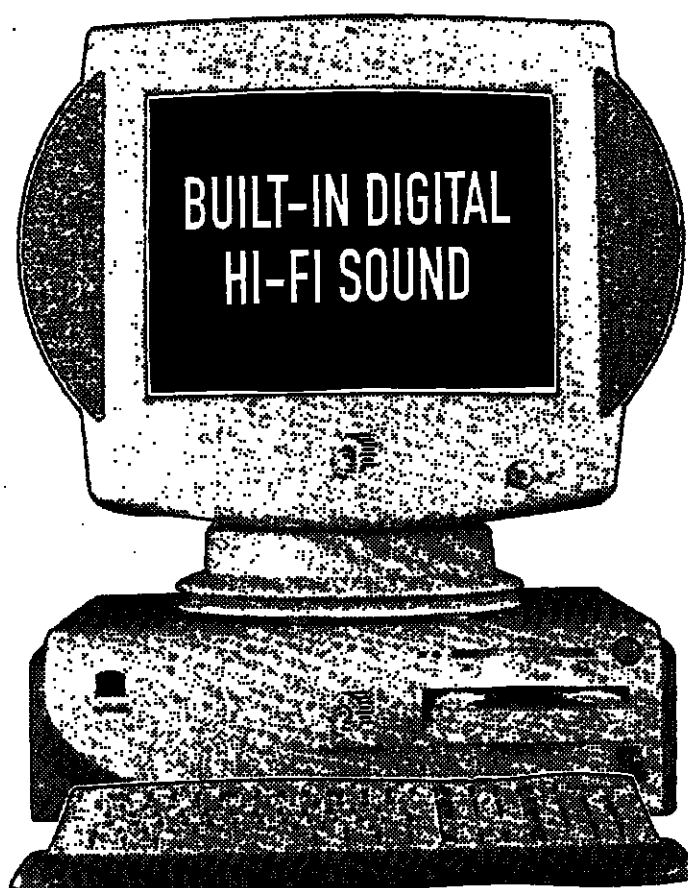
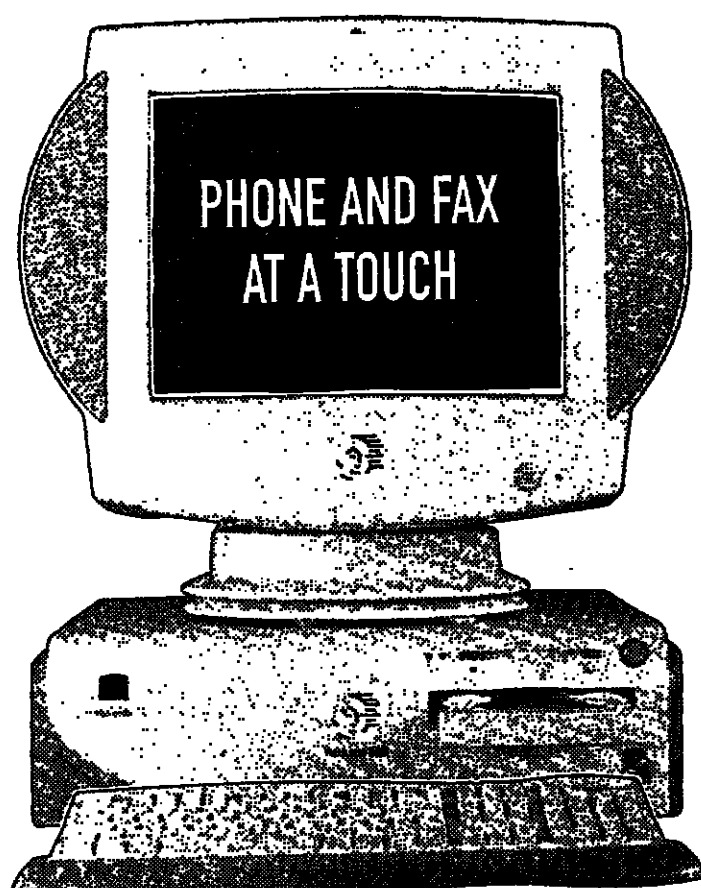
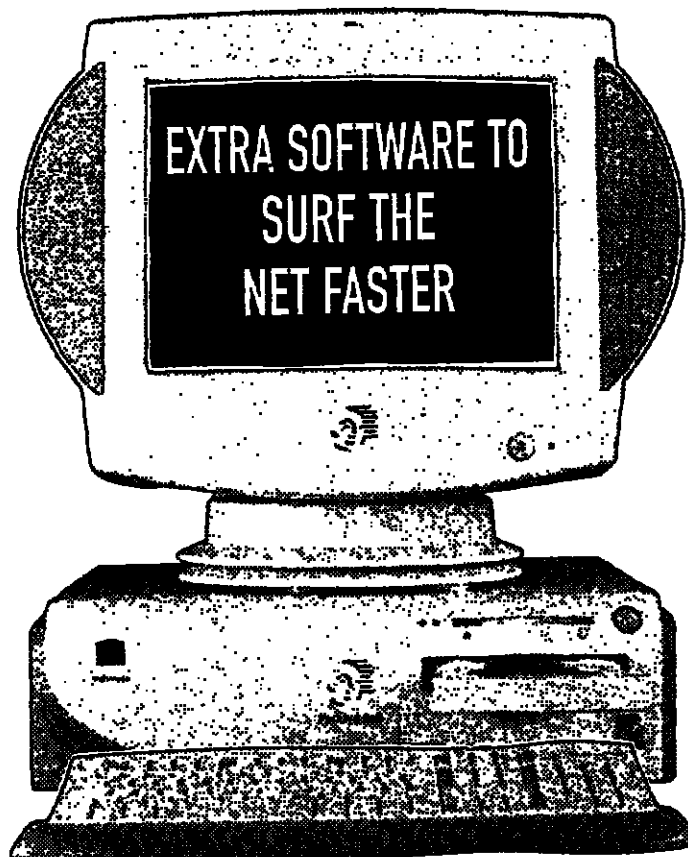
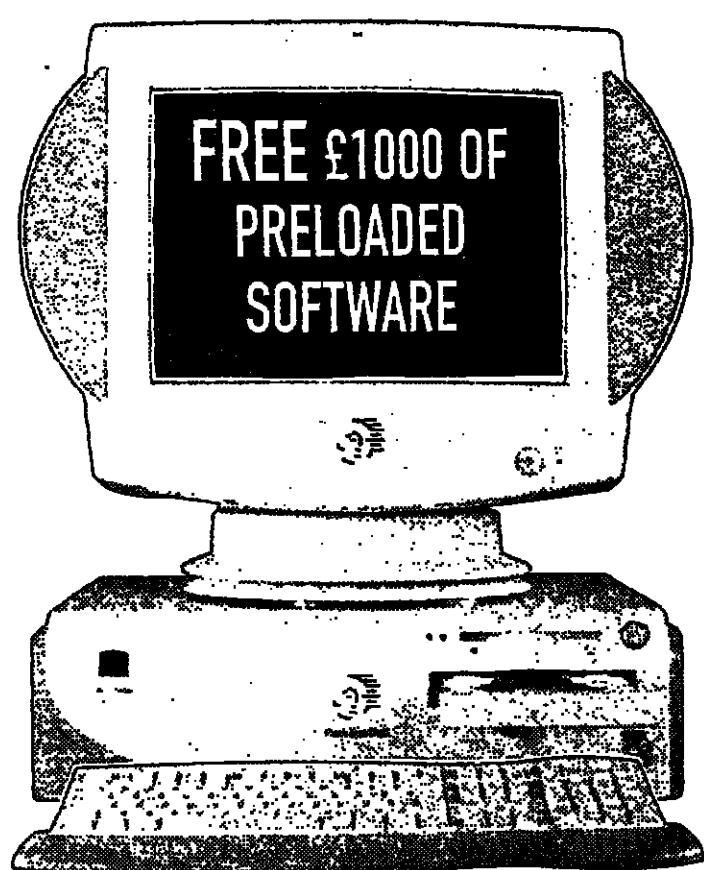
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Hitmen kill the birdman of Palma

The man with the biggest collection of parrots, macaws and cockatoos in Europe was shot dead yesterday in Mallorca, along with his eight-year-old son and maid. Police think they were victims of a Mafia-style "hit squad".

Manfred Meisel, 49, a beer importer known on Mallorca as "the Beer King" and manager of a bar that employed 90 staff, was found with a bullet in his head in his villa near Palma. He had told friends of feeling under threat since March, perhaps because of the enormous amount of cash he handled in connection with his exotic birds, which he imported from the Philippines and Singapore.

No money or credit cards were taken from the villa, and not one valuable bird freed from 400 cages. The killers scaled a spiked perimeter fence and eluded five guard dogs. Meisel's son Patrick was shot twice in the temple while he was sleeping. Claudia Leisen, 30, who tended the newly hatched chicks every four hours, appeared to have had her wrists tied before she was shot in the back. — Elizabeth Nash, Madrid



Coastal linc Mont-St-Michel, on the south-west coast of France, surrounded by sand at low tide. The French government is to spend an estimated Fr500m (£53m) on a seven-year-project to protect the bay. Photograph: Reuters/Jean-Yves Destoux

A new Kohl caper – but not so funny

Did Helmut Kohl know about his secret agents' hare-brained scheme to smuggle plutonium into Germany? Yesterday was the moment of truth. But Imre Karac, in Bonn says that before a parliamentary inquiry, the Chancellor was overtaken by amnesia.

Some of the facts of German dabbling in state-sponsored terrorism are simple enough. On 10 August 1994, smack in the middle of Mr Kohl's re-election campaign, agents at Munich airport arrested three men carrying a radioactive briefcase. Contents: 363 grams of weapons-grade plutonium. Origin: the former USSR.

The find was hailed as a great triumph for the security services, the BND, and by extension, for the government. A tiny consignment of low-grade uranium smuggled into Germany had greatly alarmed the public. After Munich, Mr Kohl would be able to go to the voters and assure them that he had everything under control.

Things did not quite work out like that, because somebody let it be known that the plutonium affair was a BND stunt from beginning to end. There is little doubt now that Bernd Schmidbauer, head of the BND, set it up and arranged payments to the hapless couriers – a Colombian and two Spaniards – who have since been thrown into jail.

Opposition politicians claim that the operation was masterminded by Mr Schmidbauer. Its

aim was to give Mr Kohl a pre-election boost, and to force Russia to tighten security at its nuclear reactors. Mr Schmidbauer is a friend and political appointee of Mr Kohl's and has his office in the chancellery in Bonn. He remains in charge.

Three years after the event, Mr Kohl was finally popped the question yesterday by members of a parliamentary committee. "When did you find out about the plutonium caper?" He sweated and wriggled in his seat, but perked up noticeably when the cakes arrived. "It was on the weekend of 12th and 13th August," he replied confidently. "But were you not seen having dinner with Mr Schmidbauer at a restaurant before that?" he was asked. Dinner? Restaurant? His memory was failing now. "I really don't know," he shrugged. The Chancellor had a perfect alibi: he was on holiday in Austria at the time when the Lufthansa airliner landed with its deadly cargo in Munich.

This went on for a while longer. His inquisitors from the opposition parties probed, but the Chancellor, reputed to have a telephone book of a brain, just could not recall a thing. "Can you remember anything at all?" shouted a red-faced Social Democrat. "I cannot recall what I did on a particular day," Mr Kohl repeated.

Another Social Democrat changed tack. "We have information that the people who carried out the Munich job took part in two other similar stunts," he said. "Where did you get that," frowned the Chancellor. "It says so in the letter you wrote to President Yeltsin," Mr Kohl could not remember that, either.

EU officials face inquiry

The European Commission announced yesterday that it was lifting diplomatic immunity from three high-ranking officials suspected of corruption.

The move clears the way for the Belgian police to intensify investigations into allegations that funds earmarked for the 1993 European Year of Tourism, had been paid out by the commission's tourism unit

to bogus schemes in exchange for bribes.

The removal of immunity means the three officials could face prosecution. George Tzoanos, the Greek former head of the tourism unit, spent a year in jail awaiting a decision on prosecution but the Belgian police complained their inquiries were hindered by the commission.

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Arab nations stay away from talks in snub to Clinton

The Americans have advertised the Arab-Israeli economic conference in Qatar this weekend as a cornerstone of the Middle East 'peace'. But it looks likely to turn into farce, Robert Fisk writes, because only four of the 21 Arab states intend to turn up.

Humiliation is not the word for it. President Bill Clinton was on the phone to the Saudi King Fahd - former ambassador to Israel and former leader of one of the most prominent pro-Israeli lobby groups in the United States - to urge the Middle East, pleading with the Arabs to attend. And the result? An unprecedented snub from Arab nations who believe the US has betrayed both the Middle East 'peace' and the honest broker role which Washington originally claimed for itself in the Middle East.

Goodbye the Saudis, who have lost faith in the US's pro-Israeli stewardship of the Oslo agreement. Goodbye Syria, which suspects Israel will never give back the occupied Syrian Golan Heights. Goodbye Morocco, Washington's friend in the Maghreb. Goodbye Tunisia and the United Arab Emirates and Bahrain - headquarters to the US fleet in the Gulf - and goodbye Sudan and Libya and Algeria and even the Arab League. Goodbye Lebanon, theatre for the only remaining Arab-Israeli war. Goodbye the Palestine Liberation Organization - supposedly the beneficiary (with Israel) of the Oslo accords. And goodbye Egypt, whose President suggested that if US Secretary of State Madeleine Albright wanted to hear its views, it could always chat to the Egyptian ambassador to Doha, capital of the luckless Qatar which is hosting the conference.

No wonder the Americans are having second thoughts about attacking Saddam Hussein yet again for his intransigence. Would Oman and Yemen or Jordan turn up if they did? No wonder there comes only silence from the US State Department, whose acolytes have been travelling the Arab world for help. Only Qatar itself, Jordan - loyally proving the integrity of its peace treaty with Israel - Yemen and Kuwait are prepared to turn up for the conference that is sup-

posed, in Washington's immortal cliché, "to put the peace process back on track."

Kuwait, still fearful of President Saddam, could be expected to turn up in Doha on Sunday. King Hussein of Jordan, despite the Israeli attempt to murder a Hamas official in Amman, wished to show its loyalty to the agreements it signed with Israel. Oman and Yemen - scarcely lynch-pins of the "peace process" - will take their seats, but Oman will send only a low-level economic delegation led by an undersecretary of the commerce ministry. This is the measure to which the hopes of a Middle East peace have fallen since Benjamin Netanyahu became Prime Minister of Israel and refused to give back Golan, built more Jewish settlements on occupied Arab land and denied the possibility of a Palestinian state.

The Israelis, of course, will be turning up in Qatar in force, led by David Levy, the foreign minister, supported by Mrs Albright and the US commerce secretary, William Daley. But as a symbol of future peace, the Qatar conference is a disaster. Blaming Mr Netanyahu for the collapse of the "peace process" - and those quotation marks are becoming ever more important - Egyptian President Hosni Mubarak has called the conference "meaningless". Barring last minute changes of heart, he is right.

No reference was made by the Arabs to Palestinian suicide bombs in Jerusalem. And the Israelis will be the first to suggest the Arabs are denying the very spirit of the "peace process". Moshe Fogel, the Israeli government spokesman, remarked dismissively that more than 90 per cent of Israel's trade is with "developed [sic] countries" - little over 1 per cent with the Arabs - and that it is the Arabs who will lose by boycotting the Qatar summit. In reality, it is US credibility that once again stands to lose, as American leaders fail, yet again, to force Israel to abide by the Oslo agreement.

International companies - Mobil, Occidental, Merck, Philips and Petronas - have contributed £1.89m along with the Qataris for the conference, most of which is likely to prove a worthless investment. Saudi itself has been condemned by both Saudi Arabia and Egypt for holding the forum when Israel continues to build Jewish settlements on Arab land which is occupied. Or, in the dishonest words of the State Department, "disputed" land.



The funeral of Yitzhak Rabin (left), killed by Yigal Amir (above). Below: the right-wing informer Avishai Rabin



Shin Bet informer who could have saved Rabin

A commission headed by a retired chief justice yesterday censured Israel's Shin Bet security service for its lax handling of a right-wing informer who failed to mention that his best friend was planning to assassinate the prime minister, Yitzhak Rabin.

The informer was Avishai Rabin, who has been at the centre of a web of conspiracy theories since his double-agent role was revealed two years ago. His friend was Yigal Amir, now serving a life sentence for murdering Rabin in November 1995.

In its report, now declassified, Judge Meir Shamgar's inquiry found that Amir had boasted frequently of his plan to harm the prime minister. But, rather than warn the security service, Rabin told Amir that a biblical law which prescribes the

BLAIR WARNS OVER JERUSALEM SETTLEMENTS

The Israeli Prime Minister, Benjamin Netanyahu, held "friendly and constructive" talks with Tony Blair and Robin Cook at the start of a two-day visit to London yesterday.

But Britain emphasised its unhappiness at Israel's contin-

ued enthusiasm for new Jewish settlements in Arab East Jerusalem. Mr Blair expressed "great concern about the state of the peace process", and Mr Cook made clear that Britain "strongly supports" calls by the US Secretary of State,

Madeline Albright, for a "time-out" on the building of new settlements. Britain says the Middle East peace process will be "a key priority" during the British presidency of the European Union in the first half of next year. — Steve Crowshaw

the knowledge that he was exempt from responsibility because of his official backing. His supervision by the Shin Bet was ineffectual, and in most cases they learned about what happened only after the event.

Politicians are now demanding that Rabin be charged with not acting to prevent the assassination. Some MPs want his Shin Bet controllers to be charged, too.

Rabin was recruited by the Shin Bet in 1987 when he was 20. He had already been active in Rabbi Meir Kahane's ultra-nationalist Kach movement. Why, then, did he agree to inform on his friends? Not for money. Rather he seems to have enjoyed the excitement. The Shin Bet men were his heroes. But he was fatally selective in which information he gave them. — Eric Silver, Jerusalem

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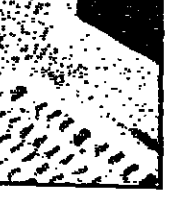
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FBI abandons investigation into air disaster

The FBI has told the families of the 230 people killed when TWA Flight 800 crashed in July 1996 that it found absolutely no evidence that a criminal act brought the aircraft down. The FBI is suspending its investigation. But some of the families now intend to campaign to have all 747s grounded as potentially dangerous.

New York (AP) — The Federal Bureau of Investigation is suspending its inquiry into the crash in 1996 of the TWA jet that killed 230 people. "Our investigation has found absolutely no evidence to cause us to believe that the TWA Flight 800 tragedy was the result of a criminal act," wrote James Kallstrom, the FBI assistant director who headed the criminal investigation, in a letter.

Mr Kallstrom confirmed on Wednesday night that the FBI had sent the letter to the victims' families, but he gave no details "as it is a private matter between the FBI and the families at this point". The FBI plans to hold a news conference next week to issue a comprehensive report on the criminal probe's findings, a law-enforcement source said.

Mr Kallstrom wrote that the FBI would continue to be involved in the investigation by the National Transportation Safety Board (NTSB) of the July 1996 crash of the Paris-bound aircraft. "Every lead has been covered, all possible avenues of investigation exhaustively explored and every resource of the United States government has been brought to bear in this investigation," he said.

The NTSB is continuing to try to learn what caused vapours inside the empty fuel tank to explode, shattering the aircraft shortly after take-off from Kennedy Airport in

New York. The FBI has said repeatedly it has found no evidence that the Boeing 747 was downed by a bomb or missile.

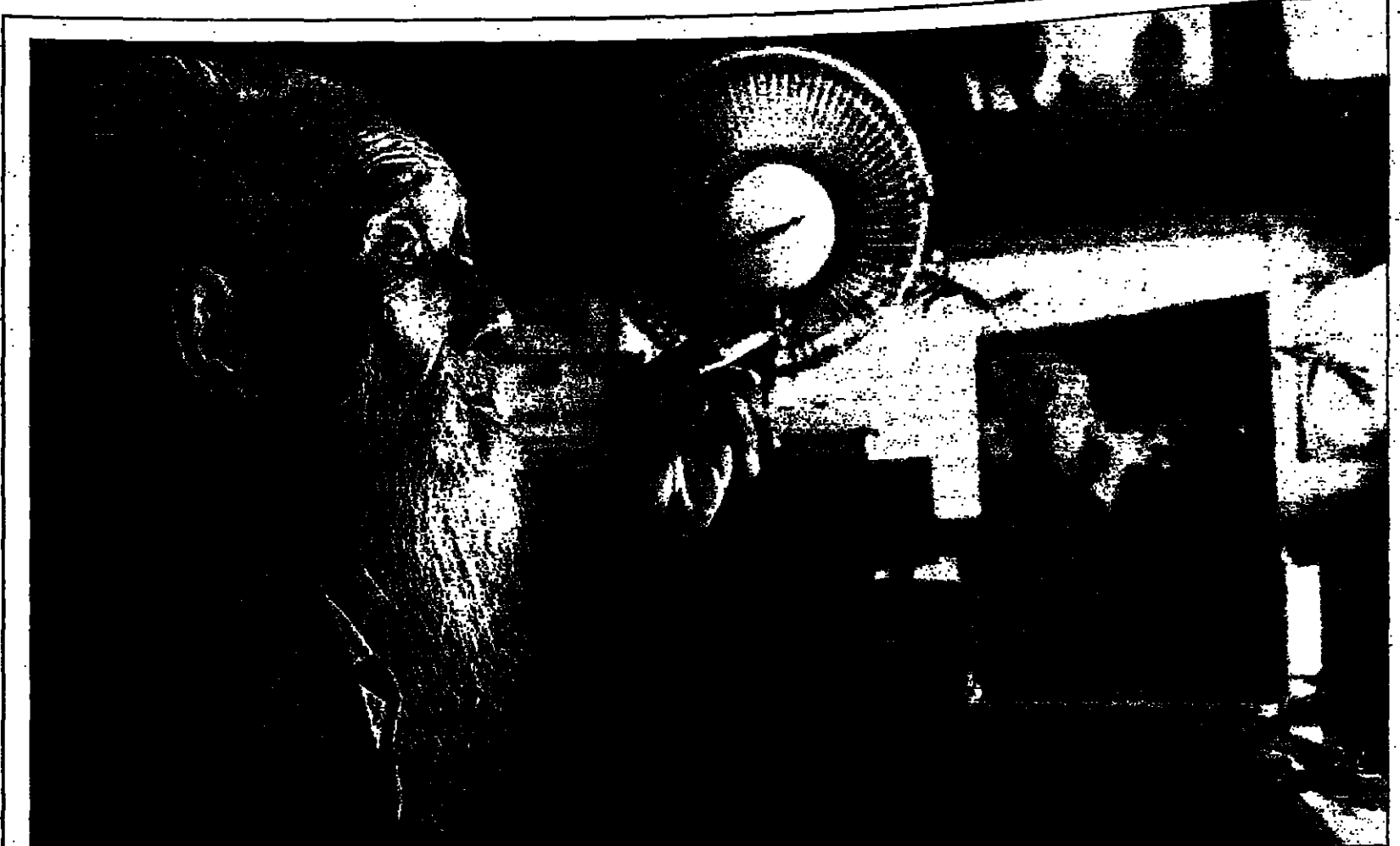
The FBI began its investigation minutes after the jumbo jet burst into a fireball, killing everyone on board and scattering wreckage across a five-square-mile area of the Atlantic Ocean, about 10 miles off Long Island. Eyewitnesses reported streaks of light in the sky just before the explosion, prompting a team of investigators to focus on the missile theory. The FBI flatly rejected allegations by conspiracy theorists that an errant US Navy missile was to blame.

"When it first happened, I thought bomb," said Joe Lychner of Houston, who lost his wife and two small daughters in the crash. "But when I look at all the testing the FBI did and they found nothing, I am convinced this had to be mechanical."

FBI agents interviewed more than 7,000 people, including everyone who touched or had access to the aircraft at Kennedy Airport and in Athens, Greece, where the flight originated. The FBI and NTSB reconstructed the wreckage inside a hangar and then scrutinized the holes and punctures for any evidence of a crime.

Michel Breistroff of Paris, whose 25-year-old son was killed, said he received Mr Kallstrom's letter on Wednesday. He said he and other family members overseas now plan a campaign to have all 747s grounded. "This plane is obviously a dangerous plane," he said. "It took investigators all these months and all these millions of dollars to tell us that."

TWA spokesman Donn Walker in St Louis said the airline did not know the FBI had sent letters indicating that it was ending its criminal investigation. "They've been hinting for a while so it's really not a surprise," he said. He added that the company was frustrated that federal investigators have not been able to determine what caused the crash. "We just want answers. We just want to know what happened."



Cultural legacy: Le Van Khoi, 85, waiting for patients in his Hanoi medicine shop, is one of the few French-speaking Vietnamese left since France lost the former colony more than 40 years ago. Hanoi is hosting the Francophone nations summit, which opens today. Photograph: Andy Solomon

Poll protest stifled

Algerian police deployed in force in central Algiers yesterday to stop supporters of political parties, including one in the government coalition, from marching against what they termed election fraud. Most of the supporters were prevented from reaching Algiers centre where the gathering had been scheduled to meet.

Europe's envoys return to Tehran

Iran and the European Union have struck a deal to allow EU ambassadors to return to Tehran. The agreement follows months of diplomatic impasse which had embarrassed both sides.

EU ambassadors were withdrawn from Iran six months ago, prompted by a Berlin court finding that the Iranian government had ordered the murder of Kurdish dissidents in Germany. Tehran had insisted that when the EU returned its ambassadors, the German envoy must come last, a condition that the EU had resisted. Iran has denied any involvement in the 1992 killing of four Iranian Kurdish dissidents in Berlin.

But yesterday a spokesman

for Luxembourg, which holds the EU presidency, said most of the EU ambassadors withdrawn from Tehran after the court finding last April would be returning to the Islamic republic last night.

EU governments had given Luxembourg a mandate to negotiate with Iran on the return of the envoys. In a statement, Luxembourg's foreign ministry, speaking on behalf of the EU, said: "After the election of a new Iranian president and the formation of a new government, the time has come to resolve the problem of the return of the ambassadors."

The Iranian news agency IRNA quoted a foreign ministry spokesman as saying Tehran had

agreed to the proposal. It quoted "political quarters" as saying Iran's decision was partly due to strong EU and French support for a recent \$2bn deal led by the French oil giant Total, which went against US sanctions against the Islamic republic.

The United States has noticed a toning down of hostile rhetoric from Iran since a new government took over there three months ago, a senior US official said on Wednesday. The State Department's newly appointed Middle East chief, Martin Indyk, said that while Washington had not detected any concrete foreign policy changes in Tehran, a US conditional offer of dialogue with Iran remained on the table.

America joins murder hunt

FBI agents have been sent to Pakistan in connection with the killings of four American oil company employees, the US Attorney General Janet Reno said.

She declined to comment when asked if the killings might have been linked to the recent US conviction of a Pakistani, Mir Aimal Kasi, for murdering two CIA employees in 1993. She also declined to declare the killings a terrorist act.

Gunmen in Karachi killed four American men and their Pakistani driver on Wednesday. Pakistan Prime Minister Nawaz Sharif yesterday gave President Bill Clinton his condolences.

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THE INDEPENDENT
FRIDAY
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A corrupt police force haunted by its criminal record

Corruption has once more raised its ugly head within the Hong Kong police. The authorities have moved quickly to try to deal with it, but Stephen Vines in Hong Kong sees worrying signs for the future.

The Hong Kong government is worried. It issued a statement this week saying it was determined to maintain the police force "as one of the finest, upholding law and order, with integrity, honesty and professionalism".

The statement came as a response to "views expressed by various people concerning a number of incidents". Top of the list are the embarrassing circumstances under which the police have been forced to freeze all promotions following the arrest of eight officers on corruption charges connected with promotion boards.

These arrests have sent shock waves through both the police force and the public who fear that the rampant corruption which made the police notorious during the Seventies is re-emerging.

Few details have been given about the arrests by Hong Kong's powerful Independent Commission Against Corruption (ICAC), but it has been confirmed that officers, including two chief inspectors, are suspected of bribery offences in connection with promotions to the rank of sergeant. Decisions over the promotion of more than 1,000 officers have been frozen while investigations are in progress.

The ICAC appears to be making a clear statement that despite the change of sovereignty it is still in business.

Hong Kong has an unusually large police force, with 438 policemen for every 100,000 members of the public, one of the highest ratios in the world.

The high level of policing is given as one reason for low levels of crime, but it was not so long ago that a great deal of crime was generated by the police force itself. Desk sergeants in local police stations became millionaires as they controlled the distribution of bribes and allocation of protection rackets.

The force was so riddled with corruption that post-war colonial governments avoided confronting the issue, fearing it would lead to the total breakdown of law and order. So powerful were corrupt policemen in the Sixties that they succeeded in getting a committee of inquiry to lay the blame for a series of riots on the territory's few prominent anti-police corruption campaigners.

However, public unease about the police was growing and the government was forced to respond. Investigations into the corruption of very senior officers revealed that they had ferreted away millions of dollars.



Godber: Senior officer convicted of corruption

The most notorious culprit was a Briton, former senior superintendent Peter Godber. Even after his arrest he managed to board a plane for Singapore and return to Britain. The public was outraged and campaigned for his return to face trial.

The Godber case broke the floodgates of public frustration with police corruption, which stretched down to the smallest stall holder having to pay off local constables to remain in business. Sir Murray MacLehose, who was then governor, decided that

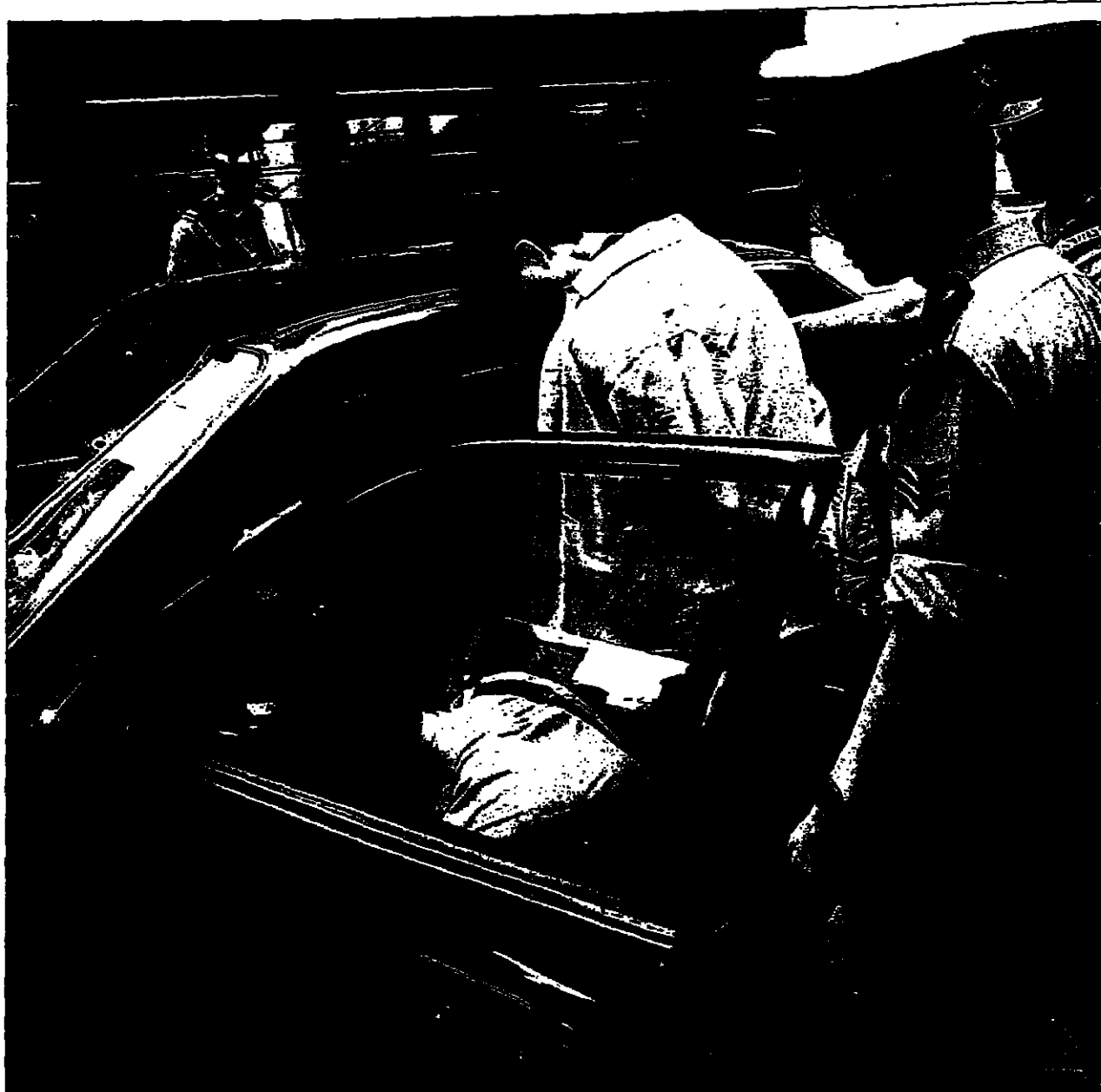
confidence could only be restored by the establishment of the ICAC. When it came into being in 1974 it was overwhelmed with inquiries into police corruption. A way was found to bring Godber back from London and he was extradited on charges of accepting a bribe for the promotion of a police officer.

Godber's conviction opened the door for aggressive prosecutions of police officers by the ICAC. Many corrupt sergeants fled to Taiwan, where there was no extradition treaty. The arrest of police officers peaked in 1977, provoking the nearest Hong Kong has come to a police revolt, when the ICAC headquarters was besieged by angry members of the force demanding the release of their colleagues.

A dangerous stand-off developed. The government offered a partial amnesty to get the police back to work. It virtually let off all officers suspected of more minor crimes committed before the beginning of the year. The controversial amnesty was only partially mitigated by a change to the police law giving the Commissioner of Police summary dismissal powers.

The experience of the Seventies is embedded in Hong Kong's folk memory. Countless surveys have shown that one of the biggest worries about last July's transfer of power was that it would lead to an upsurge of corruption, especially among the police, who have secured a far better reputation in recent years. A survey conducted by the ICAC, a year before the handover, found three-quarters of those questioned believed the commission's role "would become more important as 1997 drew near". Just before the handover, the ICAC recorded a disturbing increase in reports of corruption in public bodies and government departments but not in the police.

The public is worried that the bad old days might be coming back, although astonishingly, the new government has responded to this concern by suggesting that the main watchdog, the ICAC, should be shorn of the word "Independent" in its English title.



Crime busters! Hong Kong has one of the highest ratios of police to public in the world

Photograph: Richard Jones

Election bypasses the people

Nominations opened yesterday for candidates from Hong Kong hoping to join China's parliament, the National People's Congress.

However, the NPC is not famous for its independence of mind. The carefully selected people who "elect" its members are not expected to be any more independently-minded than those they elect. Fortunately for the organisers, many of the electors are also candidates, so there is less scope for confusion.

Hong Kong is holding its first election for 36 deputies since the change to Chinese sovereignty. As the word election has a different meaning in China from in Hong Kong, there is

some discomfort over the fact that only 424 hand-picked people - chaired by Tung Chee-hwa, Hong Kong's new chief executive - are involved in the process.

The number of those voting is not the only difference, as the delegates discovered during a three-day meeting to lay down the rules of election. Even in Hong Kong's pro-Peking circles votes are usually taken by ballot, or by a show of hands. However, the Chinese tradition is to pass resolutions by acclaim, signified by bouts of hand clapping. This does not give dissenters even an opportunity to register disapproval.

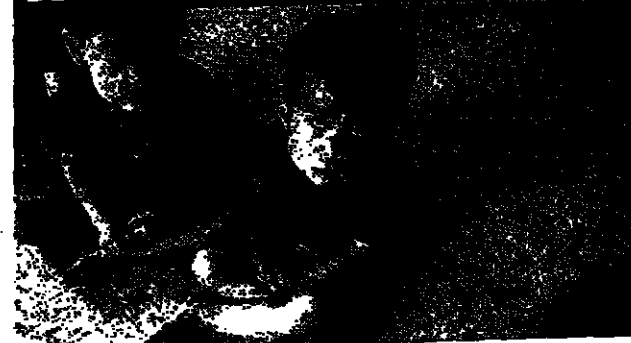
The public will not be allowed to see information sup-

plied about the candidates, or even know who nominated them, as on the Chinese mainland, so there was no reason not to apply it in Hong Kong.

The electors are not only confident about the need to preserve exclusive access to information, they are also confident of their incorruptibility. They decided not to devise penalties for election fraud or corruption on the grounds that they were sufficiently self-disciplined not to be tempted into malpractice. It was also decided that candidates with a criminal record need not burden electors with this information. This is just as well, as a number of likely candidates have such records.

— Stephen Vines

MILLIONS FACE STARVATION IN NORTH KOREA



This winter may prove to have devastating consequences for the people of North Korea. For the third consecutive year, a combination of floods and drought has ruined harvests and destroyed homes. In parts of the country, children are already having to live on a diet of tree bark and roots. Without urgent help, many will not survive the bitter cold of the North Korean winter.

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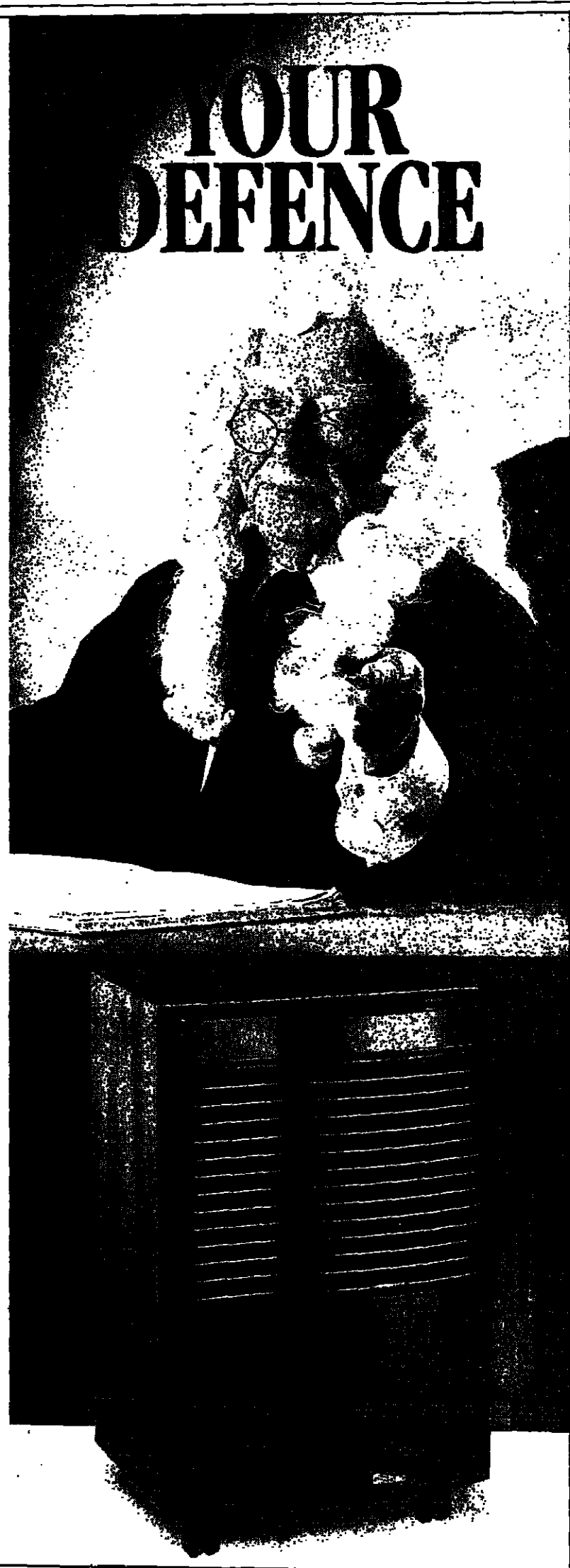


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Testosterone Tess and the Baldy Sisters

Women who work in a man's world risk developing a hormonal imbalance that leads to baldness and deeper voices, suggests new research. It's hair-raising stuff. Ann Treneman gets to the root of the problem.

There is a new woman in the workplace whom you may have met over the past few weeks. She's been front-page news and could go under the name of Testosterone Tess. She is young, successful and so stressed that her hormones have gone a little wonky. In fact, things are so bad that she has developed something called "testosterone overload". The result is that she has started to look a bit like Demi Moore in *Gladiator*. But Demi shaved off her hair while our new heroine is just plain losing hers.

The *Sunday Times* knows that there are "thousands" of Tesses out there who suffer from the syndrome "caused by taking on traditionally male roles in the workplace". The *Daily Mail* also knows the problem well. "Medical experts say that in adopting more aggressive and competitive working styles women are developing increased sensitivity to testosterone." And this, it says, could lead to bald patches on the head, growing thick hair on their face, neck and bodies, something called "typically male" acne and deeper voices.

There's only one problem. The medical experts who believe this are rather difficult to find. Nor does there appear to be any known syndrome called "testosterone overload". The study quoted in all the stories - conducted by the School of Pharmacy at the University of Portsmouth - turns out to be quite different in some respects. There is a real possibility that Testosterone Tess simply does not exist.

Author Rosalind Miles is not surprised at this. Nor was Professor Lisa Jardine whose

immediate response to the whole idea was "rubbish". There is a long and distinguished history of pseudo-scientific myths that seek to persuade women that they must pay a high price if they insist on working in a man's world. "It's a scare tactic. Remember when they said that Indira Gandhi and Mrs Thatcher had more male hormones?" asks Ms Miles. "It's another 'get back in your box' scare."

This is where I would disagree. I know from personal experience that many career women do lose their hair and that an increasing number have sought help from the curious breed of expert called trichologists. Some see them as glorified hairdressers, others see them as knowing more about hair loss than any doctor. The trichologist has a lot more time to listen than a GP - but of course he is being paid £65 for doing so. In my case he proposed a course of treatment aimed at stimulating the hair follicles. Nothing was said about testosterone but a lot was said about nutrition. It turns out that our mothers were right when they told us that our hair would fall out if we didn't eat properly. But it is a long way from needing an iron supplement to inventing a new breed of women who are not in control of their testosterone levels.

The catalyst for the Testosterone Tess story was this survey at the School of Pharmacy. I decided to contact its authors, who were listed as consultant trichologist Dr Hugh Rushton and Dr Michael Norris. Dr Rushton was lecturing on hair loss in Argentina but Dr Norris was available.

The first thing to note is that though both have doctorates neither is a medical doctor. Second, it is not possible to read the report because it is still being written. But Mr Norris was happy to tell me the details of how it was conducted and the results. It made for interesting listening.

"We surveyed 800 women. We found them in shops, supermarkets, banks. We went anywhere they would let us in! It was anonymous. They filled

out a form," he said. There was no way of knowing if the women surveyed were high-flyers or even worked outside the home. There is no way of knowing what, if any, stress they were under. There is no way of knowing if they had, in fact, been forced to take on traditional male roles in the workplace.

The survey asked two main questions. One was whether the parting in their hair had widened in the past five years. The other was whether they lost more hair when taking a shower than five years ago. Mr Norris says that those with wider partings would tend to suffer from a hormone problem that he characterised as an increased sensitivity to testosterone. Those who had lost more hair in the shower would probably

be suffering from some sort of nutritional deficiency.

Thirty per cent of women said yes to the shower question. "We were absolutely flabbergasted by the results," he said although he was quick to add that it is hard to tell if this even indicates an increase because there are no previous similar surveys. But, I said, that would mean that women losing their hair were suffering from improper diet, not uncontrollable rushes of testosterone. "Yes, I would say that the major factor in hair loss is nutritional. I would put money on it," he said, adding that the survey did show that 10 per cent of respondents said they had wider partings. "Most of this was in older, post-menopausal women," he said.

So far, so confusing. The survey did not target women that

were young, career-oriented or identifiably competitive and aggressive. The results show that poor diet is the main cause of hair loss in women and that most women who suffer hormonal hair loss are far too old to be Testosterone Tess.

So how did Tess come to be born then? Mr Norris says he was somewhat surprised too. "But it is a good story," he said. "And it's not necessarily a false one. But we have no data to back it up. This exists as a theory for now. The stress link can be connected to diet too. Women who work are not likely to eat properly. One thing that worries me is that we are not eating enough red meat because of BSE. That worries me."

Something else is worrying the trichologist Glenn Lyons. He

has said that "women's changing role in society is making them more male-like." I asked him to explain further: "I've got a theory that this hormonal hair loss is to do with the role that women are getting involved in. There are having to be more aggressive. They are climbing the professional ladder and it is hard to be recognised."

Mr Lyons agrees that the "argument is very arguable" but insists he has seen a startling increase in the number of young women visiting him with hormonal hair loss. This type of hair loss, he explains, has a genetic link and he says that only 15 to 20 per cent can be helped. Nutritional hair loss, in contrast, can be completely corrected.

I ask Mr Lyons if he believes he might have old-fashioned

ideas about women and their role. "No, I've said this for a long time. I'm happily married and my views are based on personal as well as professional observations. I actually listen to what the patients are telling me. I'm aware of how difficult it can be for a conscientious and loving woman. They've got a lot of things to do. I think they are a tremendous sex. Look it's only my theory - doctors might say what a load of nonsense - but I listen to women talk about stress and very often they cry too."

Doctors do, in fact, believe that much of this is rubbish. They say that there is a small group of women who are over-sensitive to testosterone but there is no known link between this condition and working in a man's world. "I don't see why

you should acquire this sensitivity because of this stress," says Dr Wayne Perry, a consultant endocrinologist at the Endocrine Centre in Wimpole Street. "It doesn't sound very likely. I'm not saying it's not possible but I think it is highly controversial. I don't know of any medical evidence myself."

The world, however, is more interested in fiction than fact. Mr Norris says he has been inundated with calls from around the world in the past week. "Hair is always good for a story but I've never seen anything like this. They're really latched on to this. People do seem really concerned about women working. Why, I don't know." It's the kind of thing you really want to ask Testosterone Tess - if only you could find her.

They told us to stay in the kitchen but we just wouldn't listen...

Photograph: Hulton Getty

Do we get what we pay for - or just what we deserve?



JOHN
LYTLE

Let's hear it in stereotype: fags are great at spending money, but not at raising it, saving it, using it, or making it grow. Funny, frivolous creatures that we are, we are expected to be, as a feature in *The Independent* put it only this Tuesday, "creative, exuberant and glamorous". We are not to bother our silly heads about the harsh, hierarchical world of commerce, which, as any woman who has gashed her scalp on the glass ceiling will tell you, remains, a last bastion of "unreconstructed masculinity". A place where "real men" can force you to play by their rules, so that even a

multi-billionaire like the late Malcolm Forbes has to spend his life in hiding. The poor little rich boy feared that his colleagues would discover his double-life and believe his interests lay more in makeover than takeover, in backrooms rather than boardrooms.

Forbes knew if he came out of the filing cabinet his stock would plummet, the bull market would question just why he wanted the keys to the executive washroom. For though seldom explicitly stated, the idea has long been abroad that gay men lack what butch types in red braces thrill to call the

"killer instinct". That we define ourselves not in the work, work ethic but in towing the party, party, party line. That the wealth of our emotional lives is more important to us than piffling profit margins. That the only power we understand is purchasing power and we will never mobilise those potentially political pink pounds for anything else. That we are the playthings, not the playboys, of capitalism, and, bless us, so much more at home in the traditional comfort zone of the arts; that, actually, the only business we're equipped for is showbusiness. Cameron Mac-

Intosh might be rich honey, but his money flows from musicals. Colin Bell might be a big noise, but it's from producing CDs and bands. And they probably have fabulous accountants, darling. Fabulous straight accountants. The sort who possibly toll for "gay-friendly" Virgin Direct and can recite a meaningful rap about investment, guppies and DINKS (Dual Income, No Kids) but nevertheless charge way over the odds for life insurance once sexual preference is declared. Are you informed consumer or greedily consumed? Who cares? Not you, obviously. You're gay and

not cold enough to appreciate cash on demand.

Of course, last week's voluntary liquidation of the Pride Trust, the second such occurrence in six years, makes such notions easier to buy and sell. Never mind the evidence to the contrary - Lesbian and Gay Switchboard, Stonewall, the Aids organisations that successfully operate on shoestring and/or slashed budgets - what will be remembered here is how yet another merry band of gay men and lesbians let Gay Pride run up debts to the tune of some £180,000 (estimates vary) despite supposedly attracting

more than a quarter of a million people to "the largest free musical festival in the world".

The old, old story, it is ever true: queens squabble amongst themselves, dykes try to impose direction, ideological war is waged and what should be a sound proposition is suddenly a psychological playpen with no one keeping a gimlet eye on the "record sponsorship". Or the insurance policies. Or setting cash aside for VAT, breakages and losses including, in this case, three generators, stolen furniture and £7,000 worth of wheelchairs that walked.

Result: annual time-is-money consuming rows around "political correctness", annual failure, the usual wild rumours of fairy-soft hands in the till and Ivan Massow, the subculture's single financial guru (well, who needs more than one?) dragged away from his ledgers to dismiss the unfortunately resurrected cliché of gay-run operations simply not being able to count, unless it's in inches.

And Massow would be correct to flip the cliché, the collapse of the Pride Trust is not because of genetic disposition. He could furthermore point out that most minority organisations staffed by volunteers routinely trip into similar traps; such failures are not exclusive to "the community", though they oft appear more fiercely concentrated.

What Massow probably wouldn't do - he wouldn't be asked - is to place Pride's fall in the general context of shoddy gay-run businesses "the

community" is ever heir to. Pride is a paradigm. There isn't a gay man or lesbian of average intelligence who doesn't complain about the third-rate but invariably expensive services provided by the bulk of gay businesses, be they taxis, holiday firms, decorators, clubs, fetish shops, restaurants, a Mardi Gras or the gay press (the latter currently pulling a pot-and-kettle number that has to be seen to be disbelieved). Yet if these (very) limited companies fail then it's probable that "the community" will be blamed for not supporting such noble endeavours. Some members of the Pride Trust are already privately making such claims and certainly "the community" was denounced when the London Lesbian and Gay Centre predictably went under - just ignore allegations of missing dosh and financial mismanagement - and *Phase* magazine turned out to be just that after three appalling issues. It wasn't their fault. It was yours. You were - are - meant to take any crap, accept any old excuse, because it was gay.

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Alors, Monsieur Straw, you're an example to us all



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Glad tidings: Jack Straw is learning French. The Home Secretary is emerging from his years as a geek to become a fully-rounded human being. The deadly earnest master of political briefs has been liberated by the responsibilities of power to become a Renaissance Man. Or not.

Sadly, the real story is a little less heart-warming. Mr Straw has decided he needs to speak French for his job. He wants to talk, face-to-face and uninterpreted, to the French about football hooliganism, immigration policy and the like. Far from taking time off from his ministerial duties, this is an extension of them.

Still, it can only be good that ministers should be able to talk to their continental partners in their own languages, especially as Britain will hold the presidency of the European Union from January - which means there are only seven weeks to add to the paltry number of languages at the Cabinet's command. It is astute diplomacy too, assuaging the

French fear of creeping American cultural hegemony. And a welcome relief from British linguistic arrogance. Only in Britain would it be commented on that the Prime Minister did not need headphones to listen to Jacques Chirac at last week's Canary Wharf news conference. But only in Britain would Mr Blair's ability to engage in fluent French conversation be mocked for the traces of "schoolboy French" in his accent - precisely the combination of national self-deprecation and snobbery which so inhibits the learning of languages in this country.

However, our politicians should not take up foreign languages in order simply to discharge their ministerial duties. The experience of learning French will be a good thing in itself for Mr Straw. Learning any language is commendable, although it is this newspaper's policy to encourage the learning of languages other than French - Spanish for instance, but even Latin is better than French, which

has been promoted above its station.

All ministers should get themselves a hinterland. Some members of the Cabinet do indeed have unexpected interests in their personal lives, such as Robin Cook's passion for dressage (that's horses, not clothes) and Margaret Beckett's for car-avanning. But most of them do lead sadly one-dimensional lives, as vividly shown by the inability of successive arts ministers to name films, books or plays they might have looked at since they left school.

It was not always thus: Mr Cook once wistfully cited a 19th-century predecessor as Foreign Secretary who spent two weeks in Switzerland reading books and writing one speech. Politics was essentially a part-time, flexi-time activity, practised by people who carried on other professions and who were accomplished in other walks of life. This is not to advocate the return of the amateur politician who concentrates on the big picture while civil servants do the real work. But there

should be a happy medium.

More rounded people are needed everywhere. You do not have to be an admirer of Marx's early writings to think that Britain's long working hours are alienating. It is a feature of modern capitalism that too many people see their self-worth simply in terms of paid work. This is not simply about the desire of parents to spend more time with their children, it is about the quality of our lives and the wholeness of our persons. Think how our national life would be enhanced if Chris Evans took a part-time degree in philosophy. Or if Bernie Ecclestone had taken up jazz clarinet to dilute his obsession with fast cars. Or if Rupert Murdoch tried to write symphonies instead of trying to rule the world.

The trouble is a lack of credible polymathic role models. If someone excels in more than one field, like Jonathan Miller, they tend to be twice as resented as someone who is pre-eminent in only one. Congratulations, then, to Mr Straw for his part

in bringing back the cult of the gifted amateur. Perhaps it is inevitable that politics should be dominated by driven, single-minded obsessives. But the logic of Mr Blair's style of government is that only the few members of the controlling inner circle need be full-timers. There are 100 million - far too many, and no one can believe that they have real work to do. Alan Clark's Diaries present a convincing picture of junior ministers as docile participants in a Civil Service make-work scheme. Since then, the New Labour machine has made it even more difficult for ministers even to think aloud. But they could engage actively in the arts, sciences and culture without needing to consult the Cabinet Office about straying on to Chris Smith's departmental brief. Let us have all ministers learning a language, or demonstrating that it is possible to start to play the piano in your forties or fifties. Why should they not all serve as renaissance role models for a healthier, more balanced society?

Post letters to Letters to the Editor
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E-mail correspondents are asked to give a postal address.
Letters may be edited for length and clarity.

LETTERS

Smoke of battle

Sir: With all the brouhaha surrounding tobacco sponsorship of Formula One, it is too easy to forget that what is important is whether or not tobacco sponsorship of sport does encourage people to smoke.

With me, it certainly did. Aged 10, 11 or 12, I was very keen to smoke, and only because I was obsessed by Formula One. The only brands I wanted to smoke were JPS and Marlboro. JPS because I was seduced by the glossy black Lotus cars with the gold logos, and Marlboro because in 1976 James Hunt, driving the red and white Marlboro McLaren, was the ultimate *Boy's Own* hero.

It was inevitable then, that when I first had the opportunity to smoke, which was when I went away to boarding school, I took to it like a duck to water, and only managed to stop ten years later.
PIERS TAYLOR
Oaksey, Wiltshire

Sir: If, as we are told, donations to political parties are never made in order to influence political decisions but are merely indicative of the donor's support for at least some of the recipient's policies, there seems to be a simple way out of the dilemma. The state should set up an independent body, through which, by law, all political donations would be channelled. The money would be passed to the recipient without any indication of its source.
MICHAEL GREEN
Birmingham

Sir: Does anybody make a donation, large or small, to a political party without self-interest? It may be hopes for higher pensions, better quality education or a more favourable business climate.

Would it not be refreshing to hear an admission from government that many decisions in life, especially political ones, are a matter of expediency and compromise? We have a brilliant industry in this country making the best racing cars in the world and there is the strongest case for protecting it - donations or no donations.
TOM KAREN
Lechworth, Hertfordshire

Sir: A limit on party campaign expenses is enforceable at con-

stituency level, where the local agent is personally liable under law, but meaningless on a national basis.

Even given the most sophisticated accounting procedures (unlikely in Smith Square or Millbank), it would take months to produce audited accounts. If the victorious party were then found to be over the limit by an Ecclestone or two, would the election be null and void? Or would they pay the money back? Or would the runners-up be declared the winners?
TONY HAKEN
Wivenhoe, Essex

Sir: On the one hand the Government is reported to favour state funding for political parties. On the other, Gordon Brown announced that a £12m grant is to be sought from Europe to "educate" the British about the single currency. Any chance of William Hague and chums receiving a similar sum

to put forward their side of the argument?
RICHARD DAVIS
London N11

Sir: Now Bernie Ecclestone has had his money back, can Labour voters have their manifesto commitment back, too? If the tobacco companies and their friends haven't paid for a favour, why should they receive it?
N R BASSETT
London N19

Meanwhile, in the pub

Sir: The latest proposals from Action on Smoking and Health ("Smokers face American-style prohibition", 10 November) raise the question of what the effect of prohibition would be on British pubs and restaurants.

In 1996, the Campaign for Real Ale published details of a survey on this issue, carried out by the East Midlands

Brewing Association. This found that 53 per cent favoured the introduction of no-smoking areas, with the remainder against. Only 9 per cent supported a total ban - not so much a silent majority as a strident minority.

In Toronto, a US-style ban was partially relaxed because of a 30 per cent loss of business.

It is right to question the motivation of people who cannot or will not tolerate tobacco smoke and yet seek work in a pub. This is about as convincing a someone with acrophobia asking for a job as a steeplejack.
DAVID J ANDERSON
Wakefield, West Yorkshire

Epidemic

Sir: Is it me, or am I seeing the word "ubiquitous" everywhere these days?
JOHN MITCHELL
Hertford

Power to the GPs

Sir: While the broad thrust of the proposed NHS reforms revealed in *The Independent* on 12 November is to be welcomed, they raise a number of concerns.

Reducing bureaucracy and abolishing the competitive ethos that forces hospitals to try in effect to put each other out of business can only be good. Transferring the power to set clinical priorities to those who most fully understand the problems is also good, but to give almost complete budgetary control to one section of the NHS - general practitioners - may produce new problems.

While GPs have perhaps the best overview of the local population's needs, nursing and allied health care staff and hospital doctors will have an equally valid perspective. To exclude all these others from spending decisions would risk recreating many of the antagonisms that

existed in the days when power to influence spending was seen to rest disproportionately with hospital consultants.

Moreover, GPs are the only individuals in the NHS who, in theory, can gain financial profit from the allocation of NHS funds to facilities in which they have a financial interest. If they are to have significant budgetary control of the NHS, consideration should be given to making them salaried employees, in line with everyone else.
Dr ANDREW A JEFFREY
Rode, Northamptonshire

Sir: I applaud the Government's intention to move away from the NHS internal market and give budgets for hospital, primary and community care to GPs. However, in your leader of 12 November you are right to question whether GPs have the interest or managerial capacity to run the commissioning process. There are already recruit-

ment problems in general practice and there is doubt whether we will soon have enough GPs left on the front line treating patients. It seems folly to divert GP time into commissioning unless you increase the number of GPs. I am a front-line GP and I train new GPs. I suggest the Government starts by looking closely at the number of recruits to general practice and the management training they receive.
ANITA CAMPBELL
Sheffield

Biblical beards

Sir: The Rev Peter Hutton suggests that Jesus may not have had a beard (letter, 13 November). Honesty compels me to remind him of the prophetic verse concerning Jesus in Isaiah 50:6: "I offered my back to those who beat me, my cheeks to those who pulled out my beard".
NEIL JACOBSON
Wembley, Middlesex

Jury reform

Sir: Having just completed jury service, I agree with Valerie and Martin Hewitt (letter, 11 November) that the present system is unsatisfactory, but I would not agree that all jurors should be lay magistrates. I would prefer a combination of professionals and members of the public. This would have been beneficial.

A suggestion made by a member of our jury was that there should be a period of jurors' question time before retirement, when the jury could ask questions of judge and counsel.

One jury member felt she was too young to make the necessary decisions; perhaps there should be a lower age limit of 30.
SANDRA BOUGHTON
Slidcup, Kent

Irish in Great War

Sir: Geraldine Burke (letter, 11 November) reports finding the monument at Ypres to the Irish who died in 1914-18. I remember many gravesites in Galway marked with the honours "Connaught Rangers and Old IRA". The paradox rests in the mass of "southern" Irishmen who fought in the Great War for, as their parliamentary leadership told them, "the rights of small nations" like Belgium and by implication Ireland.

Put this with the facts that there were more "southern" than "northern" battalions in the battle of the Somme, that Unionist shibboleth, and that in the Second World War there were more recruits from the Irish Free State than from Northern Ireland, and you may recognise why I do not wear a poppy.

Great numbers of Irish fought, in passing, for this country in 1914-18 but essentially for a freedom which was then denied them when they returned.
M A MARTIN
London SW19

Croft options

Sir: Paul McCann ("The tabloid casting couch of Lara Croft", 12 November) suggests that if we have been "in a persistent vegetative state for a year" we shall not know who Lara Croft is. The opposite is the case. Only those who have been in such a state for a year will know.
GEOFFREY BRACE
Exeter

Excuse me. Would you mind? For charity. A little something. Oh, it's like that, is it?



MILES KINGDON

Hello. May I take just a little of your time?

I want to talk to you today about Princess Diana.

It was said that, when she was alive, you could double the circulation of a magazine just by putting her on the cover. In a sense, that is what I have done by putting her name at the top of this article. You saw her name and started reading.

So it still works.

But that is not what I want to talk to you about today.

I want to talk to you about the very real and valuable work that she did for many charities.

Charities which are still benefiting enormously from her work. Unlike the charities which she didn't support.

Those many, many charities which she didn't support and which have seen their funds go down both in her lifetime and since she died.

Yes, for every charity which gained from her attention, there are three or four which suffered because of her lack of attention. You could say, I suppose, that Princess Diana did more harm than good to charities in this country.

But that is not what I want to talk to you about today.

What I want to talk to you about is what happens to a charity when it finds that its income is going down and that its very valuable work is being curtailed because of lack of funds.

Not necessarily because of Diana, Princess of Wales.

What does it do then?

Either it goes out of business or it hires a very clever person called a fund-raiser.

I wonder if you have ever come across a fund-raiser.

He or she is a person who comes in and, for a price, organises events and public relations so that the public becomes aware of the charity and hands over lots of telly, or organises high-profile, glittering society affairs which rake in lots of moolah from the upper crust.

For instance, whoever got the BBC to back Children In Need was a pretty good fund-raiser.

Whoever invented flag days was a pretty damned good fund-raiser, even if the idea has become a little devalued.

Whoever persuaded the British that it was a fun idea to put squashed plastic tomatoes on the front of their car bonnets was a genius of a fund-raiser in his own way.

Or her way, of course.

But there comes a time when fund-raisers start to run out of ideas.

When they start to get tired. When the old magic that has served them so well begins to desert them, and they take on one charity too many.

Sometimes you read in the paper that a gigantic celebrity auction or a vintage aeroplane fly-past has failed to attract people, and made a huge loss.

That is because some legendary fund-raiser has just lost the knack.

Oh, they can go on for a while.

They can raise funds for smaller charities, and they can assist other fund-raisers who still have the gift.

But sooner or later the day comes when even the bravest fund-raiser has to admit that the jig is up, and that the time has come to throw in the towel.

What does a charity fund-raiser on the scrap-heap do?

What hope is there for a down-and-out charity organiser?

What hope can you offer to someone whose only talent is for phoning up and saying, "Darling you must get two tickets for the most wonderful ball I'm organising!" or, "Sir Edward, I know you won't refuse when I ask you to donate an un-

wanted conductor's baton to people who deserve it more than you do, and who - let's face it - can probably conduct better than you can!"

There is no hope for such people.

Except that offered by the Former Fund-Raisers Fellowship.

This wonderful organisation is the only one that is specifically designed to help ex-charity geniuses down on their luck.

Our motto is: "Once upon a time they blackmailed you into buying tickets for charity affairs you had no intention of going to and where you were bored silly and spent too much on the raffle. Now they would like to apologise and, if it's not too late, ask you for some

more money, but for themselves this time.

It's not a great motto.

In fact, it's a lousy slogan.

But when you're a bunch of clapped-out fund-raisers, it's the best you can come up with.

The Former Fund-Raisers Fellowship desperately needs funds to continue its work at its retirement home in the New Forest, where we can house fund-raisers whose nerve has gone and who cannot hear the word Gala or Celebrity without sobbing.

So, please won't you give generously?

Well, just a little?

Oh.

Nothing?

We really have lost the knack, haven't we?

19/COMMENT

Learning humility from the Woodward trial



DAVID
USBOURNE
ON DAYS IN A
BOSTON COURT

For some weeks now I have been immersed, as a front-line reporter, in the Louise Woodward trial. What a lot I - we - have learned from it. About ourselves. About its cast of characters. About the American - make that Massachusetts - justice system. And yet, so much remains mysterious. Such as what really happened to Matthew Eappen.

One of the main lessons I have learnt, personally, is how dangerous predictions can be. How many times I made them and was proven spectacularly wrong. But I was not alone.

My greatest sin was believing that I knew what the verdict would be. Like all my reporting colleagues, I had pre-cooked a "guilty" story just in case the verdict came on final deadline, but I almost did not bother. What possessed me to assume that the jury was sharing my conclusion: that Barry Scheck and his team had done well enough to show reasonable doubt, and that Louise would surely be freed?

Even the officers of the court were convinced that Woodward would be home for Halloween. It is not widely known, for example, that on the second day of the jury's deliberations, bailiffs of the court went so far as to walk the four defence lawyers through the best exit route from the courtroom, by which Louise could most efficiently and discreetly be escorted to freedom once the "not guilty" verdict came down.

Judge Hiller Zobel was confident that Woodward would be acquitted. Of that I am sure. One source reported that when he left the courtroom briefly between hearing the word "guilty", and returning to dismiss the court, Zobel was in his chambers being physically sick. I have no idea if that is true, although I did ask him later. He did not answer, but I can believe it. Several of the court officers cried that night, I know.

Worst of all, Woodward also thought she knew what the jury would do. Already she was getting special treatment by the officers who believed in her innocence. Exceptionally, for example, she was being allowed to watch television - an episode of *Seinfeld* - in the holding cell upstairs, when the phone rang and someone announced: "The eagle has landed." A verdict was in. The verdict that turned out to be guilty.

For all of this, I blame Scheck. His arrogance, in hindsight, was breathtaking. Only when the jurors came in, their expressions betraying such gravity, did it even occur to Scheck and his colleagues that their performance - their parading of all those highly remunerated, ever-so-eminent medical experts with their explanations about old injuries and re-bleeds - might not have

washed after all. To say they were surprised is not even close; Scheck looked as though a bomb had exploded in his insides.

Even in the following few days, I had to fight to restore my objectivity. A terrible temptation had to be resisted: to pander in my reporting to the sentiment of so many back in Britain that a wrong had been done. There were some amongst my colleagues here who, in the bars after work, had been voicing doubts about Woodward even before the verdict, especially about her testimony on the stand. Too accomplished, too rehearsed, just not kosher, they said. I began to listen more carefully.

Judge Zobel, I think, still believes in Woodward's innocence. To be sure, he offers a scenario for guilt, or a degree of guilt, in the 16-page document he issued this Monday before slashing her "murder two" conviction to one of manslaughter. But if he really believed it, he would not have taken that next, extraordinary, step: sentencing her to just the 279 days already served, and letting her go free.

My worst dilemma, however, is this: how legitimate, or how low is it, to question in print the veracity of the parents of the dead baby? The glare of doubt has been shone on his mother, Deborah Eappen, especially. Why? This is a woman who has lost a child, and we, the press, decided that it would be good sport to throw doubt on her. "God forbid," one friend said to me, "that I ever lose a child and find myself suddenly subjected to such bile."

Only a day earlier, I had reported that Mrs Eappen had made a videotape apparently coaxing Matthew's elder brother, Brendan, to reveal some dread secret about Woodward, maybe about how once she had hurt him. It seems now that Mrs Eappen did not choose to make the video, but was asked to do so by the police.

Will we ever be certain of what happened? Let us, for a moment anyway, entertain the Eappen doubters.

The defence suspicion, never aired in court on the grounds that the risk of angering the jury was simply too great, was this: that Brendan, the elder brother, who is large for his age, caused the initial injury by leaping on to Matty from some height and banging his head.

Does that explain the old wrist injury, too, that showed up only at autopsy? And did the parents know this all along, and cover up for their surviving son?

What I think, changes with each day. I am clear, after sitting in that court for almost four weeks, that the case presented by the prosecution was lousy. Scheck, for all his hubris, raised reasonable doubt. Had I been a juror, I would never have voted guilty. Woodward believes it when she says she is innocent. But this may be some kind of denial.

Do I really think that she did nothing to hurt Matthew, as she insists? I am not sure that I do. Would I leave my children in her care now? No, I would not. What do I think of the decision of Judge Zobel to let her go, without even giving her a year or two more? It strikes me as indecent, and insulting to the Eappens.

Just before the trial began, I interviewed the parents of Louise Woodward, Gary and Susan. Now I wonder about this, and it chills me: are they still, as they claimed then, 100 per cent certain that their daughter did nothing?

Or do they also now have just a sliver of doubt? If so, how ghastly that must be.



Scheck: extraordinary arrogance throughout



The Micra. Ask before you borrow it.

Well caught! One of the ads that caused a largely ridiculous furore about images of violence by women against men

Boys. They never get the joke.



SUZANNE
MOORE
WHAT GIRL
POWER MEANS

I am as concerned as the next woman about adverts which show women being violent towards men. I don't think there are anything like enough of them.

The three ads that have been singled out by the Advertising Standards Authority - for Lee Jeans, showing a woman's stiletto-heeled boot resting on the buttock of a naked man, with the slogan "Put the Boot in", the Nissan ad with a man clutching his crotch and the line "Ask Before You Borrow It", and the Dress to Kill campaign for Wallis which shows men in danger of being killed because they are distracted by beautiful women - have attracted almost 100 complaints. The complaints were not upheld, but the ASA has warned advertising agencies that they should think twice about using such "Girl Power" imagery.

Three advertisements hardly constitute a trend in my book, and yet suddenly we are supposed to worry about men being demeaned and exploited in advertising imagery. These ads are said to be tasteless and sexist, and to encourage violence against men.

If men are really such sen-

sitive and humourless souls then it's no wonder women have murderous feelings towards them. Actually, I don't think most men are like this. Indeed, from the contents of the little cards pinned up in telephone boxes everywhere, it appears that some men are more than happy to pay for the privilege of being demeaned and exploited by supposedly powerful women.

Most men, I'm sure, take these ads with a pinch of salt, even though they haven't had the years of training that most women have had in turning a blind eye to offensive images of their gender. Still it is always instructive to find how any perceived shift in the balance of power, however tiny, is seen by certain men as the beginning of the end. On the whole the advertising industry, despite its relentless trendiness, has lagged behind societal change in representing the lives of modern women. We are still Stepford Mums whose main topic of conversation is washing and graying, or dutiful wives prepared to have sex with our husbands only because they have a new car.

It is fitting that Girl Power should be a concept picked up by the ad industry. For Girl Power is, in essence, a kind of re-branding.

No one wants to use the word "feminism" any more. Its just so old-fashioned, puritanical, and horror of horrors, political. Girl Power on the other hand is all about sex and fun and being up-front. Girl Power is young and streetwise and highly individualised. Girl power is not about collective action, organising crèches or any of that dull business. It is about self-confidence and self-esteem, and if you are a spotty 12-year-old you may well need all the help you can get in this department.

The Spice Girl version of Girl Power to which we are now in thrall is a sugared-up version of the original Girl Power which was far more angry, disturbing and underground. Girl power meant young women talking about self-harming and menstruation rather than it being just another way of pulling boys. It meant pictures of girls with too much make-up who had scrawled "whore" on their stomachs, who were refusing the traditional discourses of femininity, who were slightly scary and out of control. The Spice, we know, are very much in control and not really scary at all. They're so in control, in fact, that after giving Nelson Mandela the best day of his life (he said it, not me) they decided to sack their manager and go it alone. It's all slavery, you see.

I fear for their future mainly on the grounds that I don't know a single girl child who thinks they are cool any longer, and as this their core market I wonder what this bunch of millionaires will do with themselves. They have saturated the market to such an extent that there hardly appears to be a product that they haven't endorsed. Their talent is not singing and dancing but marketing and promotion.

Eventually, though, even the little girls understand that at the centre of all this marketing, the product itself, the music, is not that interesting. In a dizzying spiral of consumerist confusion the Spice Girls have been so busy lending credence to other products that they have almost forgotten to produce one of their own.

Girl Power, as a form of branding, as a way of pushing yet more product, is ultimately unthreatening, as it is always about sexuality and little else. The central notion - that girls

or women are more "up for it" than they were before - will hardly bring about the collapse of the West.

Indeed the men's magazines are falling over themselves at the moment to produce surveys that suggest that young women are increasingly sexually predatory and "experimental". In your dreams, you read in sex surveys.

Genuine Girl Power may, of course, be about not caring what men think, about something more than a titillating fantasy. It is still difficult to correlate the imagery of Girl Power that is prevalent in all teen magazines - for instance "20 Ways to Insult a Boy" - with what is really going on for most girls.

Certainly there is a confidence amongst young women that is very hopeful, a realisation of the importance of female friendships and an expectation of equality both at school and in the future. Yet the same old sexual double standards exist and are reported to exist by miserable teenage girls who are terrified of the names that boys might call them.

What would really help these girls is to see images of powerful women that are not reducible to sexuality. Girl power as a kind of sexual bravado is essentially limiting. And

that is all that is going on in these supposedly offensive ads. The people who complained about them are doubtless the same people who talk about humourless feminists, who resent every penny given to research into breast cancer on the grounds that men get testicular cancer, who think that women because of positive discrimination get all the best jobs, and who feel that men should not have to provide for any children that they father.

The fragility of contemporary masculinity is wondrous to behold. Is it such a delicate thing, that it must be protected at all times by bodies such as the Advertising Standards Authority? Women, I suppose, are simply hardened by being bombarded by imagery about what women should be, so they take it all rather lightly - unless of course they acquire an eating disorder and kill themselves. Men who will fare best in a changing world are surely the ones that do not take themselves so seriously, and who realise that Girl Power as it is now played out is more of a cheeky giggle than the demented cackle of a power-crazed dominatrix. Women, you may rest assured, are still a long way from having the last laugh. In the meantime, the odd snigger at men's expense is only to be expected.

Digest the news



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Tough love: How to flirt with tycoons and stay a virgin



DONALD
MACINTYRE
ON LABOUR
AND CASH

What are the long-term lessons from the Ecclestone affair? The one certainly positive outcome will be a revolution in party funding. Sir Patrick Neill, chairman of the committee on standards in public life, and Lord Nolan's successor, is obviously keen to carry out the fundamental review that will be needed before next summer. There is a historic irony here, just as Lord Nolan's committee was set up after the cash-for-questions affair in

emergency conditions which made it virtually impossible for the government of the day to ignore its findings, so Sir Patrick's enquiry into political funding, though always intended by the new government, begins its enquiry in circumstances that also make it difficult for the government of the day to ignore what he proposes. Sir Patrick is in a powerful position, all the more so since there is now no danger that whatever he recommends will be seen as an attack on one party rather than another.

There isn't an instant, easy answer. A cap on spending, much discussed in the last 48 hours, is undoubtedly desirable. Because broadcasters in the UK have a statutory duty to be impartial, and because there is no paid-for TV advertising, there is no reason, as Paddy Ashdown's Liberal Democrats have shown, why national campaigns shouldn't be fought with a great deal less money than they are at present by the two biggest parties. But a cap still makes it possible for big businesses, or trade unions, or animal rights lobbies, to spend millions on advertising for a

cause which, because only one main party believes in it, is identifiably helpful to that party in an election campaign.

Public funding also has its powerful opponents, inside and outside the Government. One ground for opposition is the strong belief that taxpayers would object to paying for the upkeep of party politics. Another is that it could fossilise political parties, accentuating the historic relative fall in individual membership, and making them even more sclerotic organisations than they are already. And a third, which worries some in the Labour Party, is that it will spell the end of the final institutional link between party and the trade unions.

All these objections, however, are worth a little more examination than they have had so far. Certainly it seems a bit risky to expect the public to cough up for their politicians, who enjoy, with journalists, lower popular esteem than any occupational group including estate agents. On the other hand the public also don't much like money being thrown at politicians by the more self-

seeking elements of the private sector - as the elections of Tatton demonstrated when they chose Martin Bell in preference to Neil Hamilton. And as Vernon Bogdanor, professor of government, argued yesterday, the public do already pay for a lot of their politics through their taxes, whether through state subsidies for the Opposition, for public meeting-rooms and free delivery of election addresses, or through their BBC licence fees in providing party election broadcasts. There is even, incredibly, tax relief on donations to political parties. Secondly, if state funding were tied to party membership on a pound-for-pound basis - as some Tory politicians such as Brian Garel Jones have suggested in the past - it could have a galvanising effect on membership recruitment. Finally, while some may strongly oppose ending union funding, there are others, in trade unions, as well as in the party, who believe that the final break is in the interests of both. But even if the Neill committee doesn't come out in favour of a wholesale shift to state funding, the very minimum it will surely contemplate

is a strict cap on total expenditure - as well, probably, as on individual donations - with total disclosure. That means amounts as well as names held on a publicly inspectable register, continuously updated.

But the second lesson has to do with the Government's dealings with rich and powerful businessmen. Ever since the existence of the Ecclestone donation came to light the Tories have been severely inhibited in their attacks, because of the awe-inspiring level of their own indebtedness to Mr Ecclestone in the past. Perhaps that's why not a single Tory on Wednesday even asked the Prime Minister a pointed question about whether the donation was referred to Sir Patrick Neill after the first questions from journalists, late in the day last Friday. As an opposition, therefore, it has been more tainted than the Government. But it's questionable, first whether Mr Ecclestone was a suitable donor for Labour in the first place, and secondly whether his advice on the dire consequences of applying the sponsorship ban was as disinterested as the Prime Minister - and perhaps Helmut

Kohl and Romano Prodi, who also both saw Mr Ecclestone appear to have assumed it was. Harnessing business support was an essential and entirely honourable part of what Blair brought to New Labour. But when it comes to party donations, or simply bending the Prime Ministerial ear in the warmth of the Downing Street study, there is a distinction between the broad and collective view of a group of company chairmen about where the national interest lies, say, on Europe, and the single-minded pursuit of commercial success by one interest or another.

Blair will have to show that he can face down business opinion on occasion, as well as bow to it. He has already shown that he is capable of leading, as well as following, business opinion. The painstaking education of employers in the logic and justice of the national minimum wage was a stunning success. But there will be other fights. Blair has triumphed over the vested interests in his own party. But there are vested interests in business as well, whether or not they come with an open cheque book.

Dive in Nikkei leaves Japanese banks in crisis

The crisis threatening Japan's banking system deepened yesterday, with experts predicting the country's government might have to mount a rescue. And as one big American bank reported huge trading losses due to the recent financial market turmoil, Alan Greenspan said the US should be ready to help bail out Asia. Dione Coyle, Economics Editor, reports.

The fear that many of Japan's banks are near to collapse as a result of diving share prices has led to a ballooning in the so-called "Japan premium" in recent days. To borrow in the international interbank market, Japanese banks are having to pay up to three-eighths of a percentage point more than American banks for money, it was reported in Tokyo yesterday.

The ratings agency IBCA announced that it was downgrading the already low ratings for three banks, Fuji, Industrial Bank of Japan and Sakura. Another three, Dai-ichi Kangyo Bank, Sanwa and Sumitomo, were placed on a negative "rating watch". David Marshall, IBCA's Asia-Pacific director, said: "The Japanese banks are extraordinarily weak." The risk that they would default was negligible thanks to Ministry of Finance guarantees, he said, but the low individual ratings assigned to the banks reflected their dismal financial condition.

"At some point the government would have to step in with an explicit guarantee of the banking system," Mr Marshall said.

The sharp fall in the Nikkei index, now approaching 15,000 compared with 21,000 in July when the Asian turmoil started, is the source of the banks' solvency problems. Many have invested two or three times their share capital in the stock market, so a 20 per cent fall in the Nikkei translates into a 40 per cent or bigger drop in their own capital. A level of 15,000 for the index is extremely worrying, while 14,000 is crisis-level. "It is a problem for absolutely all of them," said IBCA's Mr Marshall.

The widespread concern about the system's fragility was reflected in the increased premium being demanded of Japanese banks borrowing funds in currencies other than yen yesterday. Some were being charged 38 basis points above the 5.875 per cent interbank rate paid by big American or European banks. Stephen Lewis, of London Bond Broking, said: "This is a very clear guide to what banks in the market really think about whether there is systemic risk in Japan."

The Japan premium first appeared in 1995 when the scale of the banks' bad property loans emerged. It re-opened last week and has increased sharply this week.

Alan Greenspan, the Federal Reserve Board chairman, indicated yesterday that America should stand ready to stabilise the Asian financial crisis. Having already helped by not raising US interest rates on Wednesday, despite clear signs of an overheating domestic economy, he said: "It is in the interest of the United States and other nations around the world to encourage appropriate policy adjustments and, where required, provide temporary financial assistance."

The Fed chairman's comments came as Chase Manhattan reported a \$160m (£94m) before-tax trading loss in October. It said this was due to "unusually volatile and adverse" conditions, especially in emerging markets. Chase has a big presence in Latin America. Mr Greenspan also warned yesterday that the US economy would be affected by the turmoil in Japan and South-east Asia. He said: "To date the direct impact of these developments on the US economy has been modest, but it can be expected not to be negligible."

Heavy buying by Japanese pension funds helped prop up the Nikkei yesterday. It ended just 7 points lower at 15,427.27, but had plummeted to as low as 15,083.22 earlier. Further declines are expected.

Hong Kong staged a slight recovery, the Hang Seng index rising 113 points to 9,720.78.

Shares in London and New York were little changed yesterday. The FTSE 100 fell 9 points to 4,711, while the Dow Jones was 26 points up at 7,427.35 by midday.

Revealed - what Credit Suisse really thinks about BZW



Under the City's glare: Credit Suisse's London headquarters building as seen from the offices of 'The Independent' last night. Photograph: Peter Macdiarmid

'The Independent' was yesterday able to listen in to a highly confidential global video conference held for Credit Suisse First Boston's managing directors in London, New York and Hong Kong to discuss and celebrate the acquisition of BZW's equities and investment banking business on Wednesday. John Wilcock reports.

Merely by quoting "Project *****" to a telephone operator yesterday, 'The Independent' was able to access a private video conference for CSFB's top brass, during which they gloried in the acquisition of BZW's equities and investment banking divisions this week for a paltry £100m.

During the half-hour conference they forecast mass sackings in the London-based bank's back office activities, and further redundancies among some of the investment bankers where they overlapped with CSFB.

A UK executive boasted of the "carrot-and-stick" methods CSFB was using to get BZW employees to sign up for the Swiss bank. "Every top manager has signed as well as 200 top people," the UK director said. The "staff retention plan" operated by CSFB offered them 3 years vesting stock in CSFB as the carrot, and the stick was represented by lengthy non-competition clauses.

Allan Wheat, chief operating officer of CSFB, chimed in from New York, answering another director's question as to why the bank had not bought the Asian and Australian bits of BZW, as it had originally offered to do. Mr Wheat explained that the Asian operations were for the most part start-ups which were not profitable, that there were too many locations to cover. Asia was "too big a bite for us". Specifically, Mr Wheat said, BZW's Japan business was "a loser".

"We haven't anyone to send there." Then to raucous laughter from his fellow directors, Mr Wheat added: "I don't know anyone I dislike enough to send there." He concluded: "We chickened out on that."

Back in London, a UK-based director said that for the £100m paid to Barclays, CSFB is getting £150m net assets, while the staff retention plan will cost £50m. "No goodwill [was paid for] in this transaction," the director said. He added: "We will keep [BZW's] space in the Barclays building - we will rent space from them on fairly cheap terms."

The integration of the two banks will be "very complex," said the director. It will involve a charge from earnings of £100m after tax, which will be taken as an extraordinary charge, "so the P&L doesn't suffer, and savings flow directly to the bottom line". He added: "The net cost to us [of the acquisition] will be £175m."

We're taking about 800 front office people," he said, while the number of information technology and back office people to be kept on was under negotiation. CSFB wants to take "obviously as few as possible," he added. "We will probably take on a few hundred."

Mr Wheat said that at a recent internal conference in Miami, the bank's top brass had pondered the need to expand beyond its core strengths, fixed income and derivatives, as well as the need to bolster its activities in Europe and the UK, where "we kinda lack critical mass".

BZW will almost perfectly complement some of these weak areas, he said. For instance, BZW's research team will increase the number of UK companies covered by the bank by more than 400, he said.

Mr Wheat then said that the original figure had been put down as nearly 450 companies, but he had not wanted to admit how few companies CSFB already covered in London - to a barrage of laughter from his fellow directors. He then ducked naming a precise figure for how many BZW people would be fired. He said: "To be very honest we've been trying to recruit their investment bankers for years - particularly those recruited over the last year. There will be some redundancies - but the business compliments it [CSFB] very well."

One British questioner asked why two American investment banks, Donaldson Lufkin Jenrette (DLJ) and Bankers Trust, had walked away from table in the final stages of the battle for BZW.

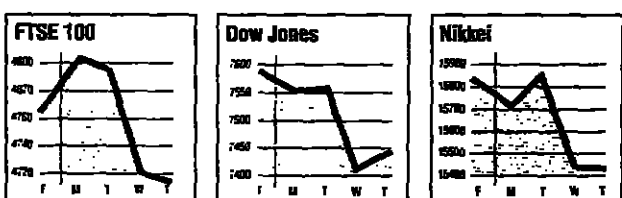
Mr Wheat said: "DLJ has about 20 or 40 people in Europe - period." He added that the original deal offered by Martin Taylor, chief executive at Barclays, had been "all or nothing". DLJ had concluded that "this thing is just too big a bite."

Bankers Trust dropped out of the bidding because, Mr Wheat said, it was "not viewed as a preferred bidder [by BZW's] employees."

Commerzbank was extremely interested, he said, but the employees didn't want to be employed by Commerzbank or ING, "so that was the end of that," he said. "Bankers Trust is now going after NatWest."

And so, the conference drew to a close, and a great British name in investment banking disappeared into the history books.

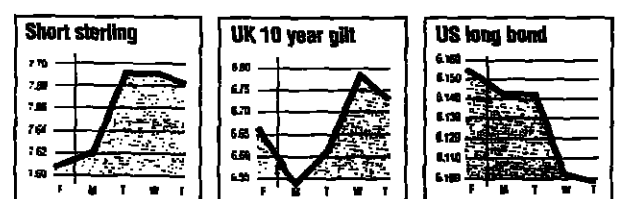
STOCK MARKETS



*Dow Jones index and graph at 5pm

Index	Close	Change	Change%	52 wk high	52 wk low	Yield%
FTSE 100	4711.00	-9.40	-0.20	5367.30	3892.70	3.70
FTSE 250	4563.30	-17.80	-0.39	4963.80	4321.80	3.55
FTSE 350	2282.50	-5.40	-0.24	2570.50	1935.70	3.87
FTSE All Share	2238.43	-5.15	-0.23	2507.68	1935.55	3.84
FTSE SmallCap	2288.6	-3.20	-0.14	2407.40	2127.50	3.26
FTSE Fledgling	1251.8	-2.70	-0.22	1348.50	1198.70	3.40
FTSE AIM	955.3	0.20	0.02	1138.00	865.90	1.94
Dow Jones	7427.35	-1.75	-0.02	8298.00	6236.05	1.35
Nikkei	15427.27	-6.90	-0.05	21480.57	15345.05	1.00
Hang Seng	9720.78	112.87	1.18	18820.31	8775.88	4.12
Dax	3704.29	45.02	1.23	4459.86	2756.11	2.15

INTEREST RATES

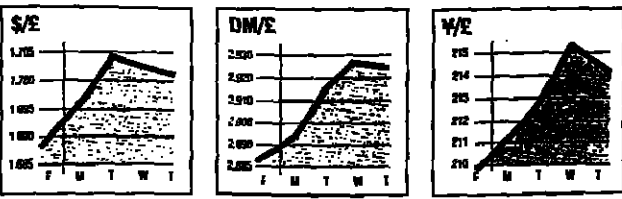


Money Market Rates	3 month	1 yr	1 yr	1 yr	1 yr	1 yr	1 yr	1 yr	1 yr
UK	7.75	7.75	7.75	7.75	7.75	7.75	7.75	7.75	7.75
US	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
Japan	0.45	0.45	0.45	0.45	0.45	0.45	0.45	0.45	0.45
Germany	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75

MAIN PRICE CHANGES

Rises	Falls
Coil Telecom 561.50 24.50 4.56	FLB Mining 185.00 -15.00 -8.33
Glaxo 183.00 7.50 4.27	Drax Bus Sys 544.00 -32.00 -5.56
Pilkington 138.50 5.50 4.20	Burman Castro 1042.00 -52.00 -4.91
Orange 233.00 5.00 4.17	BOC Group 1009 -51 -4.34

CURRENCIES



Pound	at 5pm	Change	1 yr	1 yr	1 yr	1 yr	1 yr	1 yr	1 yr
Dollar	1.7018	-0.37c	1.6608	1.7018	1.7018	1.7018	1.7018	1.7018	1.7018
D-Mark	2.9259	-1.49c	2.5041	2.9259	2.9259	2.9259	2.9259	2.9259	2.9259
Yen	214.77	-40.46	185.77	214.77	214.77	214.77	214.77	214.77	214.77
£ index	103.90	-0.50	97.50	103.90	103.90	103.90	103.90	103.90	103.90

OTHER INDICATORS

at 5pm	Change	1 yr	1 yr	1 yr	1 yr	1 yr	1 yr	1 yr	1 yr
Brent Oil (\$)	19.26	0.26	22.96	19.26	19.26	19.26	19.26	19.26	19.26
Gold (\$)	307.55	0.30	383.10	307.55	307.55	307.55	307.55	307.55	307.55
Silver (\$)	5.02	0.08	4.90	5.02	5.02	5.02	5.02	5.02	5.02
Basis Rates	7.25	8.00		7.25	7.25	7.25	7.25	7.25	7.25

www.bloomberg.com

source: Bloomberg

Railtrack to cut 1,000 managers' jobs BAe and Rolls win £400m launch aid for new jets

Railtrack is to sweep away 1,000 jobs over the next two years, many of them in management positions, after concluding that its present organisational structure is unable to cope with the demands on the rail network. Michael Harrison examines how Sir Bob Horton, chairman, is getting to grips with the bureaucracy inherited from the old BR.

The cutbacks are the equivalent to 10 per cent of Railtrack's 10,600-strong workforce and will see whole layers of management abolished. So far this year 300 jobs have disappeared, many of them managerial posts,

Molins issues fifth profits warning this year

Molins, the packaging and cigarette machines group, yesterday announced its fifth profits warning this year and said that it was cutting around 500 jobs in the UK in response to a falling demand from the key Chinese market. Shares in the company, which have slumped from over 900p at the start of the year, fell another 72.5p yesterday to 327.5p, a five-year low.

Peter Harrison, chief executive, said that previously strong demand from China, where Molins supplies rolling machines to the huge state tobacco industry, had showed no sign of resuming and orders previously in the bag continued to be delayed. As a result the company is cutting a quarter of its 2,000 workforce in tobacco machinery over the next three months, most in the UK from its High Wycombe factory.

The news is the latest in a horrendous year for the company. In July Molins was forced to reveal that accounting ir-

regularities at its US corrugated packaging business were larger than expected and in September it was forced to retract a July statement that the future of its tobacco machinery business was "encouraging." Asked whether shareholders were putting pressure on management, Mr Harrison said: "No one had been bold enough to ask about my position."

He said the restructuring, which involves asset write-downs, would cost £16m in the second half on top of £1.5m restructuring charge in the first half and £13m provision to cover the accounting irregularities. As a result, he said, profits for the second half of the year would be lower than the first half.

Mr Harrison who has threatened to sue KPMG, its former auditors, over the irregularities which took place over 10 years said Molins was still in talks with KPMG.

- Sameena Ahmad

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demands of other stakeholders and the scale of our investment programme are such that as currently configured, we would be unable to cope.

"We have to increase the responsiveness of our organisation and push decision making downwards and outwards to where the customers are. The organisation is too rigid, too hierarchical. We tend to look inwards and upwards, not outwards."

He was speaking as Railtrack announced a 10 per cent rise in pre-tax profits in the first half of the year to £190m, an 8 per cent increase in the dividend and a 38 per cent increase in investment to £520m.

Costs involved in the redundancy programme and tackling the millennium computer timebomb were £18m in the first six months and Mr Corbett said he expected the Year 2000 date change to cost it £30m-£40m in total.

Gerald Corbett, Railtrack's new chief executive, said: "Future challenges placed on us by the growth in the network, the demands of our customers, the

South West Water warns of possible £7m setback in Italy

South West Water yesterday became the latest utility to run into trouble overseas after warning that it may have to take a £7m charge to withdraw from a joint venture in Italy.

The group said it was now reviewing its investment in Siba, a 50:50 venture formed two years ago with the Milan-based contracting group Emi, to bid for local water and sewerage franchises.

South West said that because of public spending cuts in Italy - the result of the Italian government's attempts to qualify for economic and monetary union - the joint venture company had not progressed as hoped, picking up only two contracts, one of which was embroiled in funding problems.

A decision on whether to withdraw from the venture is expected in the next two months. South West lost £300,000 in the first half of the year on Siba and would have to write-off £1.1m of direct investment and a fur-

ther £6m of goodwill if it withdraws altogether.

News of the setback came as South West announced unchanged profits of £68m for the first half, an 8 per cent increase in the interim dividend and forecast that water restrictions were unlikely next summer because of its investment programme to improve supplies. Its reservoirs are 63 per cent full compared with 50 per cent this time last year. After paying a windfall tax of £104m, South West reported an after-tax loss of £40m.

The company also confirmed that it is paying £450,000 to take a 50 per cent stake in Enviro-Logic, an independent consultancy with applications to develop 29 water supply schemes around the country.

Ken Harvey, the chairman who is still looking for a chief executive to hand over responsibilities to, described the investment as an important development which South West intended to pursue with vigour.

BAe and Rolls win £400m launch aid for new jets

The Government is granting Rolls-Royce and British Aerospace £400m in launch aid to build engines and airframes for a new generation of Airbus and Boeing jets. Michael Harrison reports on the most ambitious public-private partnership yet between the Blair administration and industry.

Rolls-Royce last night announced that it was receiving £200m in launch investment from the Department of Trade and Industry to develop three new versions of its Trent engine for a range of Boeing and Airbus jets.

This is the first launch aid the company has received since 1986 and will be repaid through a levy on sales of the aircraft, which Rolls-Royce expects to reach £50bn over the next 20 years.

Separately, British Aerospace is expected to be told shortly that it will receive about £200m to develop wings for a new stretched version of the Airbus A340 long-range jet. The A340-500/600 series will carry 375 passengers - enabling it to compete directly with some versions of the Boeing jumbo jet.

John Battle, the Minister for Science, Energy and Industry, described the investment in Rolls-Royce as a "partnership with industry and an investment in the future."

In effect the Government will become a risk and revenue sharing partner in the three new Trent programmes, taking a 20 per cent stake in return for a share in future profits. Rolls has already contracted 20 per cent of the Trent 700 and 800 programme to overseas companies.

The three new engines are the Trent 500, which will power the stretched Airbus, the Trent 8100, which will power a long-range version of the Boeing 777 and the Trent 600, which will power larger versions of the Boeing 747 and 767.

Sir Ralph Robins, Rolls chairman, said the three new engines would take it into a whole new area of the aircraft market, enabling it to capture more than 40 per cent of potential sales. The alternative, he said, would have been to invite commercial risk and revenue sharing partners on to the Trent programme but this would have meant jobs and work going abroad.

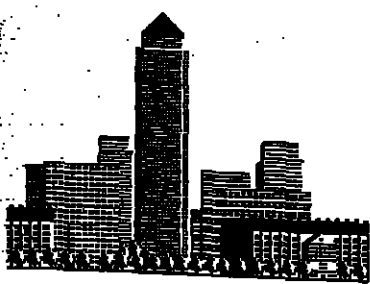
Rolls received launch aid for the original RB211 engine, the Spey and the V2500 but significantly, the last government decided not to fund the launch of the Trent programme. Sales of the Trent 700 and 800 are now \$7bn (£4bn) and it has captured 38 per cent of the market to power the two wide-bodied jets, the 777 and the Airbus A330.

Rolls is repaying about £30m of launch aid to the Government each year while total repayments, including those made to BAe, are due to total £500m over the next five years as aircraft like the Airbus A320 begin to pay their way.

The stretched A340 is costing BAe and its three Airbus partners about £2bn to develop. BAe is limited to a maximum launch aid of 33 per cent of its share of the costs.

Both BAe and Rolls will also seek launch investment from the Government for the 600-seat double-decker super jumbo, the A3XX, which Airbus hopes to launch before the end of the century. The aircraft would cost at least \$8bn to develop, with some estimates putting it as high as \$20bn, and is unlikely to enter service until 2005 at the earliest.

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OUTLOOK ON GOVERNMENT AID FOR ROLLS- ROYCE, BUSINESS AND POLITICS, AND THE CBI'S PROBLEM WITH EMU

Call it anything, but please don't call it aid

Please don't call it subsidy or state support and don't even refer to it as launch aid. Now that New Labour has established itself as the natural party of business it invests in partnerships with industry on a risk and revenue sharing basis. Whatever fancy term you chose to dress it up, £200m of Government money winged its way from Whitehall yesterday and the lucky recipient was Rolls-Royce, which will use the money to help fund three new Trent engines for the next generation of Airbus and Boeing jets. Stand by for another £200m to be dispensed any day now to another worthy cause, British Aerospace, which is also on the new Airbus programme.

Repayable launch aid is hardly new – it is the way Europe competes with the billions of dollars pumped into the US aerospace industry through indirect support for defence and space programmes. Nevertheless, yesterday's deal is something of a groundbreaker for Rolls and a feather in the cap of its chairman Sir Ralph Robins.

When the original Trent programme, Rolls most important engine development since the original RB211, was launched a decade ago Mrs Thatcher turned up her nose. She balked at the cost and Rolls' prospects in a market dominated by GE and Pratt & Whitney of the USA and refused to cough up a penny. Rolls was forced instead to go cap in hand to the Japanese, offering them a slice of the action in return for some upfront stake money.

That has turned out to be a poor decision. The first two versions of the Trent

have scooped nearly 40 per cent of the market for engines to power the latest wide-bodied Airbus and Boeing jets and Rolls reckons it can capture a similar share with its latest versions.

In fact earlier launch aid for other programmes is now turning into something of a cash cow for the Treasury. Rolls is contributing £30m a year while total repayments over the next few years will swell the Exchequer's coffers by some £500m. Doubtless BAe and Rolls will employ these arguments when they go for the big one – £700m in launch aid for the 600-seat double-decker Airbus super jumbo, the A3XX. John Battle, the industry minister, will need more evidence that a market exists for that project.

An explosive mix with politics

Launch aid is one thing, but in most cases business and Government just don't mix, as Labour, brimming full of naive enthusiasm for a genuine partnership with business when it first came into office, is discovering to its cost.

Most businessmen or companies when they donate money to political parties expect no more than to influence policy in a way which is generally favourable to the business environment. As much as anything, the purpose is that of getting their voice heard. On rare occasions, the motive is one of genuine altruism. But a sizeable minority expect rather more than that and this is where the difficulties begin. In

many instances the purpose is to influence policy in favour of a particular commercial interest or against another.

That is certainly what the brewing lobby by attempted to do with the last government, with some success. And it may have been Bernie Ecclestone's intention with his pre-election gift to the Labour Party and his more recent offer of financial assistance, though he denies this. In extreme cases, and we do not suggest Mr Ecclestone is one of these, the purpose is the overtly corrupt one of winning favours and contracts.

Perhaps the most surprising thing about the Ecclestone case is that Labour should have fallen into such a well signposted trap. For the roots of Labour's naivety on all this look back to the Labour Party conference of two years ago. This was the occasion of the famous deal launched with much fanfare between British Telecom and Tony Blair, under which BT would be released early from the ban on carrying broadcast entertainment across its network in return for wiring schools and other public institutions to the super highway.

In practice this turned out to be a relatively harmless sweetheart deal of limited significance. But it none the less established the principle that New Labour is prepared to grant commercial favours in return for something back.

This is "you scratch my back and I'll scratch yours" politics and Mr Blair should not be surprised if some people think it corrupt. The purpose of Government is to establish a level playing field of public policy for business to operate

in, not to favour one set of commercial interests over another or to be in any way beholden to these interests. For every businessman that Government favours, there will be another that the favour damages. Labour seems to be learning about this rather obvious truism the hard way.

Is the CBI the voice of business?

If the Confederation of British Industry thought this week's annual conference was dominated to an excessive degree by the single currency debate, then just wait until the great and the good of business reconvene in Birmingham in a year's time.

By then EMU will be a mere two months away. The hysterical euro polarisation of the last week may, with the benefit of hindsight, be remembered more like a sixth form balloon debate. By then, we will know who is in and who is out of EMU and the exchange rates at which the first wave will enter. The Blair administration will be staying out of Europe's most ambitious project while simultaneously leading from the front and the CBI will probably have produced another survey of its membership showing still more support for the single currency.

Unfortunately, we will not know whether business support has actually increased because the CBI, cleverly, never asks the same question twice, preferring instead to ask the question likely to illicit the biggest yes vote. And we will still not know whether the CBI really does speak

for the broad sweep of British business or merely the big multinational battalions with little geographic allegiance to Britain.

For all the CBI's unwavering support for a single currency, the fact is its membership has not lashed itself to the euro mast with quite the same enthusiasm as the club itself. The longest and the loudest ovation this week was reserved not for Gordon Brown or Niall FitzGerald, both euro enthusiasts.

Actually it went to William Hague. Either the euro lemmings secretly agree with much of the Tory leader's prognosis on EMU or they must have a real liking for self flagellation. The euro engenders real dislike among a significant swathe of the business community for whom EMU signifies higher labour and social costs as much as lower transaction charges. Because the CBI is by its very nature corporatist in its approach, it finds it difficult to reflect these nuances and shades of opinion. The same is true whether it is speaking as the voice of British business on working hours or green taxes or even late payment for that matter.

Martin Taylor, the chief executive of Barclays, summed it up best when he said the choice facing business was to decide whether the economic risks of joining EMU were outweighed by the political risks of remaining outside. Between now and next November, the choice facing many company executives will be to decide whether to stay with an organisation that is bound to misrepresent some of them on one of the most fundamental economic and political decisions this century.

Britain beats off German and US competition in bid to produce 'baby' Jaguar

Agreement has been reached to keep the production of all Jaguar cars in Britain. Barrie Clement, Labour Editor, finds unions expressing confidence that the new "mini-jag" will be made on Merseyside.

The Ford plant at Halewood has been chosen to manufacture the new "baby" Jaguar as part of an understanding reached by union leaders, it emerged yesterday. The Merseyside complex has beaten off bids from rival Ford sites in Germany and the USA to make the new model, union officials have been told.

Final decisions will have to be made by the US-based Ford Motor Company, which bought Jaguar in 1989, but motor industry unions are confident that Halewood will be chosen. It is understood that the boards of both Jaguar and Ford in Britain are behind the Halewood option and it is thought that the ultimate owners in America will rubber-stamp the decision. The American directors met yesterday at their headquarters in Dearborn, near Detroit, but it was unclear whether the Jaguar project was on the agenda.

As part of the agreement struck by unions, management has issued guarantees about the future of existing Jaguar plants

in Coventry and Castle Bromwich to meet the concerns of workers there. The Transport and General Workers' Union has been told that existing models will continue to be built in the Midlands towns and that the plants will also manufacture future Jaguar marques. It was accepted, however, that Halewood was the only plant owned by Ford in the UK with sufficient spare capacity to take the new model, which is intended to compete with the BMW 3 series.

Unions concluded a deal with Ford earlier this year which included a promise that a "multi-purpose" vehicle would be built at Halewood and it is understood that the new mini Jaguar, codenamed X400, will be manufactured on Merseyside instead.

Some industry sources believe the "Ford Halewood" name – with all its past associations with union militancy – might be ditched as part of an attempt to make the project more consumer-friendly.

Tony Woodley, chief negotiator for the motor industry at the transport union, said that the prospect of the "quintessentially British" car being built overseas may have been averted. "We believe there is a genuine business logic that the new baby Jaguar should be built in this country. We find it inexplicable and I'm sure the Jaguar-buying public would find it inexplicable if this

vehicle was to be built outside the country," Mr Woodley said. He warned, however, that the final decision would depend on the support the Government could offer. Officials at the Department of Trade and Industry insisted last night there had been no "formal" approach for financial aid under Regional Selective Assistance, but it is known the Government is well disposed towards the project.

Mr Woodley said: "The quality and efficiency of the Halewood plant, coupled with its capacity, leads me to believe that Britain and Halewood should win the day on business logic. It would be in nobody's interests for Jaguar to move outside the UK."

An official statement from Ford said that a study team from Jaguar was still evaluating the potential production sites in Britain, Europe and America. While the evaluation included a review of Halewood, it was too early to speculate on the final outcome of the review.

The statement conceded that management had been in discussions with unions over the implications if Halewood was the choice. "The company has reached a good measure of agreement, but naturally details are still a matter between the company and the unions."

Ford has already backed heavy investment for its Jaguar subsidiary to build a second saloon, codenamed X200, at Castle Bromwich.



Home of the new 'Baby jag': Unions and management have agreed to production at the Halewood plant

Liddell helps mutuals with rule on voting

Helen Liddell, Economic Secretary to the Treasury, yesterday moved to help protect the mutual status of building societies by changing a key rule covering voting rights. Any building society that wants to shed its mutual status and become a bank can now only take a vote on conversion at a general meeting when it has 50 per cent of its members present.

The change from 20 to 50 per cent in the number of members required at a meeting makes it harder for "carpet-baggers" – investors who open building society accounts in the hope of netting windfall gains from conversion – to force building societies into demutualisation. Ms Liddell said: "Mutuality does have a future. And it is worth fighting for."

This rule change could also hamper plans by the Bank of Ireland, which bought Bristol & West for £600m back in February, to gobble up another UK building society. Maurice Keane, chief executive designate of the Bank of Ireland, said yesterday that he intended to "expand by acquisition into the UK building society market".

Ms Liddell's move was warmly received by the industry. "Britannia Building Society welcomes Helen Liddell's announcement," said Gerald Gregory, Britannia's director of mutuality and marketing.

Adrian Coles, Director-General of the Building Societies Association, said: "Building societies are delighted that the Government has shown such a strong commitment to mutuality. The decision to increase the turnout rate for building society conversions will help societies to continue to promote the benefits of mutuality to their members."

Several building societies, including Halifax and Northern Rock, have recently shed their mutual status and converted into banks. They awarded their members large windfall gains in the process.

According to Mr Keane, the ideal building society target for the Bank of Ireland would be located "in a similar geographic area" to Bristol & West. This would allow the Bank of Ireland to realise gains from rationalisation and to "get better value from advertising spend", he said.

Mr Keane's announcement coincided with the release yesterday of the Bank of Ireland's first-half figures. Pre-tax profits jumped 30 per cent to IR£173.5m (£154m) in the six months to September, ahead of expectations.

— Lea Paterson

Capital Radio's £87m Virgin bid may fall foul of MMC advertising objections

Capital Radio may have to outsource Virgin Radio's advertising sales if the deal to merge the two groups is to get clearance from the Monopolies and Mergers Commission, according to City sources. Cathy Newman assesses the chances of the merger being cleared, and the threat from a rival bid launched yesterday by Chris Evans, the DJ.

Capital is known to have spent some time discussing the effect of its £87m bid for Virgin on the London advertising market. The MMC investigation is likely to recommend that the Virgin and Capital advertising sales operations are kept separate in the interests of competition. Capital's group chief executive, David Mansfield, would not comment yesterday on discussions with the MMC.

However, he confirmed that Capital's share of the advertising market would inevitably be one of the main points under scrutiny.

Mr Mansfield added that he expected the Department of Trade and Industry to pronounce on the merger early next year, some weeks later than expected.

Capital already has the biggest share of national radio advertising, with 35 per cent of the market. Virgin has a further 8 per cent.

Chris Evans, the celebrity DJ known as the "ginger whinger", has approached Virgin with a rival bid. Although Mr Evans is believed to be offering less than Capital, he is backed by Apax Partners, the venture capital company, and Virgin said yesterday it was taking the offer "seriously".

A Virgin Radio spokesman said Mr Evans' offer would enable Richard Branson to get

a foothold in British television. "The deal with Evans, which we're still not too clear about, involves a merger which would give Branson some control over Ginger [Productions, Mr Evans' broadcasting company]."

Mr Mansfield said he was "not concerned" about the rival bid, and added that Mr Branson had "a lot of respect" for Capital. "He wants to join us round the Capital table," he said.

Capital is unlikely to get into an auction with Mr Evans, and is keen to tie up an exclusive agreement with Virgin in order to foil the DJ's counter offer.

The news coincided with changes to the terms of Capital's offer for Virgin, although Capital denied yesterday that the two events were related. The alterations, prompted by the decline in Capital's share-price, will see Mr Branson's shareholding in the company capped at under 10 per cent, and – although the £87m price remains fixed – more cash than shares will be offered in order

to avoid diluting earnings per share.

Mr Mansfield, who became chief executive after Richard Eyre left for ITV Network Centre, yesterday reported headline profit before tax of £35m, up 9.2 per cent. The dividend increased 10 per cent to 13.75p. He said that since the acquisition of the My Kinda Town restaurants business last year, Capital had evolved into a "music-based entertainment company".

He added that the Radio Café concept would be expanded, with many more in the London area and one each in Birmingham and Southampton. There is presently just one Radio Café in London's Leicester Square. Mr Mansfield sought to assuage City concerns about the expansion into catering with news that the development would be funded by restaurants disposals. Despite this, though, Capital's shares slid 11.5p to 472p.

Evans' bid for Virgin, page 3

General Cable lobbies Brussels to complain about BSkyB charges for sport and films

General Cable yesterday met a representative from the European Commission to complain about the way in which BSkyB charges cable operators for sports and film channels. Despite having its arguments thrown out by the UK competition authorities, the cable industry is hoping to convince Brussels that BSkyB is acting anti-competitively.

EC sources say that General Cable, the UK's fourth largest quoted cable company, is hoping to halve the cost of buying one premium sports or film channel from BSkyB. The company has taken its grievances over the satellite broadcaster's programme supply terms to Brussels after attempts to get the UK competition authorities to intervene appear to have failed.

At the end of last year, the Office of Fair Trading cleared BSkyB's rate-card which determined the terms on which the company supplied programming to cable operators. The decision caused uproar in the cable industry.

Customers who receive pay-TV through a satellite dish pay £20.99 to receive BSkyB's basic channels and one premium sports or film channel. Cable operators pay BSkyB and other programmers around £17 for a similar package. Cable companies claim the discount is insufficient to allow them to make reasonable profits on their television businesses.

General Cable charges its customers around £27 for basic channels and one premium channel, thereby making £10 of profits. However, the high cost to subscribers will inhibit uptake of cable television, the company alleges.

General Cable declined to comment yesterday. However, last month the company denounced the way it was forced to "subsidise Mr Murdoch", and scaled back its involvement in cable television. Interim pre-tax losses of £25m this year resulted in General Cable raising its subscription prices and reducing the variety of television services on offer.

The company indicated at the time that it would only change its attitude to television if programme supply arrangements changed substantially. General Cable's confrontation with the EC appears to be a last-ditch attempt to overturn BSkyB's rate-card.

Although the OFT's approval of the existing rate-card at the end of last year angered cable companies, John Bridgeman, Director-General of the OFT, did make some concessions. Cable operators were, for example, given greater flexibility in what they were able to offer subscribers. However, BSkyB imposed financial penalties on cable operators buying inflexible packages of channels.

Cable companies were granted permission to offer both telephony and television in the early Nineties. The UK cable industry now makes most of its money from telephony because of the high cost of content and large number of customers failing to renew television subscriptions.

— Cathy Newman

Businesses warned insurers will not cover IT timebomb

British businesses were yesterday warned that they face liabilities running into tens of billions of pounds if they fail to modify computer systems in time for the millennium. Andrew Verity reports that insurers cannot cover risks associated with failure to address the problem.

Taskforce 2000, the Government-funded group tasked with raising awareness of the millennium problem, warned that the cost to companies of failing to change computer systems would be far in excess of the estimated £30bn needed to fix the

problem before 31 December 1999.

Robert Guenier, executive director of Taskforce 2000, said: "Businesses are now in a burning building and one by one the safety ladders are being kicked from underneath them."

"Who can blame the insurance industry for taking this firm line after finally waking up to the fact that it may face a deluge of claims for losses arising from the millennium problem."

The warning followed an announcement by the Association of British Insurers, which represents more than 95 per cent of the insurance industry, that insurers would exclude year 2000 problems from policies.

The announcement cuts off a key escape-route for companies relying on commercial in-

surance to pay for the risk of their systems failing as a result of millennium-related deficiencies in their microprocessors.

Any system containing date-dependent electronic parts, including security systems, lifts, escalators, air conditioning, heating, and telephone exchanges - is likely to be affected by the millennium problem. This is likely to create huge legal liabilities.

When annual commercial insurance is renewed, all 1999 members will exclude year 2000 cover. The association is circulating a "model exclusion" which rules out claims on any loss caused directly or indirectly by a microchip that cannot process dates after 31 December 1999.

Insurers will place the exclusion in any new policies for

commercial risks which may be associated with the millennium problem - where microchips fail to distinguish between the year 2000 and the year 1900. They argue that insurance is designed to cover an unforeseeable event whereas the millennium problem is known and foreseeable.

Because commercial insurance is usually renewed every year, few companies will be able to claim when the new exclusion takes effect.

Insurance which covers the millennium problem does exist and is offered by providers such as Minet and AIG. However, companies must pass a tough test requiring them to show they are making every effort to deal with the millennium problem to gain cover.



John Hoerner (left) and Nigel Hall of Burton, the retail group, yesterday revealed that the total costs associated with the demerger of Debenhams will be £65m. Of the £55m related to the demerger itself, £14.6m will go on advisers fees, principally to Schroders

and ING Barings. The associated reorganisation of the Dorothy Perkins and Top Shop multiples business, now re-named Arcadia, will be £10.7m, including £4m for job losses. A prospectus on the Debenhams demerger will be issued next month.

Investment column, page 24

IN BRIEF

BAA reports 8 per cent rise in passenger numbers

BAA said its seven UK airports handled 9.4 million passengers in October, representing an increase of 7.8 per cent on the same month last year. The company also released updated 10-year passenger traffic and capital expenditure forecasts for airports in the south-east of England. BAA forecasts that, above the level of its previous forecasts, an extra 7.6 million more passengers per annum will be using its London airports. It said this reflected growing underlying demand and confirmed the need for the proposed Terminal 5 to relieve increasing congestion at Heathrow and to maintain appropriate levels of customer service. No changes in the numbers of air transport movements have been assumed. Gatwick's forecasts have increased from 28.5 to 33 million passengers per annum in 2001/02 and from 31.8 to 38.5 million in 2006/07.

Pentex deal with Enron

Pentex Energy has struck a deal that will see Enron of the US providing up to £70m pounds of financing and taking a stake of around 11 per cent in the UK company. Enron, one of the world's largest integrated natural gas and electricity companies, will subscribe for 40 million new Pentex shares for 18.5p each to raise about £7.4m. The deal also includes a £18.8m pre-payment for a crude oil swap involving one third of Pentex's total UK oil production for the next eight years. Enron will also make available an eight-year, £44m loan. Pentex will use the cash to repay bank debt and develop its reserves and buy oil and gas assets. The company also plans to raise £5.4m by a one-for-10 rights issue at 18.5p per share.

Liberty family reject sale

The battle for control of the Liberty retail group took another twist yesterday when the founding Stewart-Liberty family and rebel shareholder, Bryan Myerson, said they would not accept any takeover bid ahead of a planned emergency general meeting. The two groups, which control 44 per cent of Liberty, said a "fire sale" was not in the best interests of shareholders. The Liberty board said the family was attempting to gain control without paying a premium. It will detail today its plans for the group and the date of the emergency meeting where the Stewart-Liberty family expect to oust the chairman, Denis Cassidy.

Cooper takeovers Menvier

Cooper Industries of the US launched an agreed £164.5m, 310p per share, cash takeover bid for Menvier-Swain Group. The two companies said the offer represented a premium of approximately 51.2 per cent to the closing middle market quotation of 205p per Menvier-Swain share on 10 November, the day before bid talks were announced. Cooper has received irrevocable undertakings to accept the offer from directors of Menvier-Swain and family interests representing approximately 13.4 per cent of the company's equity. H John Riley Jr, Cooper's chairman, said: "The acquisition of Menvier-Swain is another important step in our long-term strategy to enter new markets and extend the global reach of Cooper's Electrical Products segment. It is an exceptional opportunity to combine Menvier-Swain's strength in the European emergency lighting market with Cooper's existing activities."

Thorn sells Fona to MBO

Thorn, the struggling Radio Rentals retailer, has sold its Danish electronics group, Fona, to a management buy-out for £76m. Thorn will record an exceptional gain of £15m on the transaction. It will keep its DER rental operation in Denmark.

FKI disposes of auto group

FKI has agreed to sell its automotive group to Trident Automotive for £92.5m cash. The company expects to net £70m from the sale and will use the money to reduce borrowings. The disposed businesses comprise all of FKI's Automotive group except the Keeler Die Cast operation and the freehold of the land and buildings located at Kentwood Michigan, US.

COMPANY RESULTS

	Turnover £	Pre-tax £	EPS	Dividend
Bank of Ireland (Q)	- (-)	1251m (1183m)	33.5p (25.2p)	7.1p (6.1p)
Burton Group (F)	2.2m (2.0m)	122m (152m)	8.4p (7.8p)	3.4p (2.8p)
Castle Pharmaceuticals (F)	- (-)	-0.05m (-2.31m)	-0p (-18p)	nil (-)
Capital Radio (F)	86.1m (75.2m)	35.3m (32.0m)	32.1p (28.4p)	13.2p (12.5p)
Barclays Group (F)	- (-)	14.4m (5.28m)	13.5p (8.4p)	8p (8p)
Porter Chemicals (F)	39.5m (35.6m)	2.7m (2.3m)	1.74p (1.65p)	0.3p (0.25p)
Property Partnerships (F)	- (-)	1.01m (0.84m)	8.37p (7.81p)	3.1p (2.9p)
Railtrack (F)	1.23m (1.20m)	180m (173m)	2.8p (25p)	7.9p (7.3p)
Regalton Prope (F)	21.1m (11.4m)	1.90m (1.63m)	0.92p (1.23p)	0.475p (0.4p)
Sainsbury Group (F)	244m (250m)	28.2m (30.2m)	8.4p (8.8p)	2.05p (1.82p)
Sainsbury West (F)	187m (174m)	68.0m (68.0m)	30.9p (40.5p)	13.2p (-)
Warner Howard (F)	13.1m (13.9m)	3.28m (3.96m)	9.28p (10.94p)	3.85p (2.5p)
Young & Co's Brewery (F)	38.8m (38.0m)	2.84m (2.48m)	14.07p (12.85p)	7.75p (7.35p)
(F) - Final (Q) - Interim (F) - Nine months				

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THE INVESTMENT COLUMN

EDITED BY SAMEENA AHMAD

Burton bows out on a high

The City seems to like Burton's plans to spin-off its Debenhams department store business and the group's swansong results as a corporate entity yesterday added to the feel-good factor. Burton shares have perked up since the demerger was first announced in July. And though they are still well below their peak at the beginning of the year, there are signs that this is one demerger that is genuinely capable of enhancing shareholder value.

Full-year, pre-exceptional profits beat expectations with a 23 per cent increase to £187m. News of current trading was also reassuring, with sales in the 10 weeks since the end of August 8.5 per cent ahead. The gross margin, which has been the bedrock of the Burton recovery, firmed by 0.6 percentage points on last year.

On latest estimates the two businesses are worth a combined 160p following the demerger, with Debenhams valued at around 100p and the newly named Arcadia worth about 60p. This compares to yesterday's close of 139.5p, up 7.75p. Debenhams could even be worth 180p on some calculations. There was good news on costs too with the re-organisation of the multiple business set to achieve savings of £10m-£15m a year.

Sales last year were ahead in all brands with the ever-reliable Debenhams the best performer with a 10 per cent sales increase. But the profits figures show that there is work to be done in the multiples business. Though Dorothy Perkins, Evans and Thorpe/Top Man all did well, profits at Burton Menswear and Principles both fell. The opening of four Style Union stores, which include all Burton's menswear brands, may help as should the inclusion of the Hawkhead mail order division under the Burton Menswear umbrella.

A shake-up of the Arcadia portfolio is likely with the possibility of more Racing Green outlets and Hawkhead concessions to improve margins. The new home shopping catalogue look promising too.

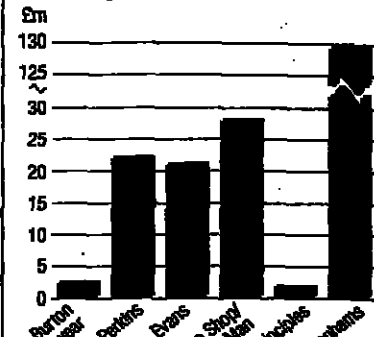
On upgraded group forecasts of £225m, the shares trade on a forward

Burton: At a glance

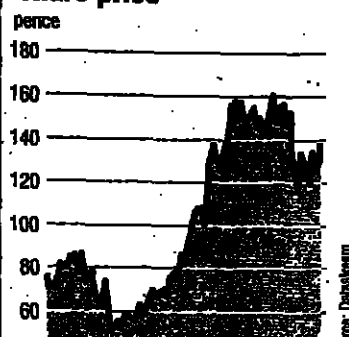
Market value: £2.04bn, share price 139.5p (+7.75p)

Five year	1993	1994	1995	1996	1997
Turnover (£bn)	1.89	1.91	1.88	2.00	2.23
Pre-tax profits (£m)	6.9	2.1	5.2	7.8	9.4
Earnings per share (p)					
Dividends per share (p)					

Retail profit



Share price



rating of 13. The fate of the shares depends on what John Hoerner, chief executive, can do with the multiples business. But his record looks worth backing.

Exposure to the pound hits Scapa

Scapa is not one of our best known companies. There is a mild flurry of excitement when people discover it owns Sellopat, but disappointment soon sets in when they realise it is just the industrial version of the familiar sticky roll. Scapa has also suffered the indignity of being dumped in the chemicals sector, when in fact it makes paper rollers and industrial tape. Strange, but true.

What investors who have stuck around will know is that Scapa has given them a rocky ride. Shares in the company, which fell 7p to 232.5p yesterday on its half-year results, have seen a high of near 270p in 1994 to well below 200p soon after, to regain their former peak in 1996.

Why so volatile? At first glance, its tempting to blame the notoriously

cyclical prices of pulp - paper's raw material. Around half of Scapa's revenues flow from sales of industrial materials to paper manufacturers. But as paper manufacturers tend to pass on pulp price increases to customers and as paper sales typically fall only slightly when prices rise, higher pulp prices do not really demand. Scapa's international exposure is more to blame. Three-quarters of its business is conducted overseas and half of all UK output is exported. So Scapa's fortunes tend to rise and fall with the pound. In the first half, sterling knocked profits by £4.9m in the six months to September, leaving the headline number down 3 per cent to £29m.

Fundamentals look sound. Adjusting for currency, profits grew by over 10 per cent. Underlying performance of the paper materials sector was steady. The industrial tapes division, which accounts for one-third of revenues, performed strongly. Although specialty materials, including filtration, had a relatively weak six months, much of this due to sterling. Moreover, efficiency gains from cutting management as businesses have been grouped along global lines should flow in this year. On a forward rating of 11, fair.

Molins shares head south

What horrible things must Molins have done in a former life to warrant its fate this year? The company, which makes machines for producing cigarettes and PG Tips' tetrahedron tea-bags, yesterday announced its fifth profits warning of 1997. Is that a record? Though Peter Harrison, chief executive, says he is not counting warnings, investors will be. Shares in the company have taken a largely uninterrupted slide downhill since their 1037p high in 1996.

After increasingly grave statements about trading in... take a breath... March, April, July and September and escalating costs related to dodgy accounting in the US, yesterday's trading news of worse-than-expected demand from China, nervous US customers ahead of a tobacco litigation settlement and 500 job cuts in the UK, felt like the final straw. Shares in Molins slumped 72.5p to 327.5p.

What is going on? The main problem is China, the world's biggest tobacco machinery market and a heck of a big customer for Molins, which with Germany's Haimi, is one of the few suppliers of cigarette machines around. As part of a crackdown on corruption rife in China's tobacco industry, its 180-odd cigarette factories are being cleaned up and consolidated. That has meant a hold on orders for machines.

Though the Chinese government promises Molins that things will return to normal "soon", that has yet to happen. So Molins has responded by cutting a quarter of its tobacco machinery workforce to meet demand and says a £30m provision this year will go to reducing costs and improving efficiency.

That is welcome, but would have made a better impression if it had been done ahead of the problem not in the middle of it. It is a sobering thought that at the start of 1997, analysts expected Molins to make almost £40m of profits this year. Brokers are now going for a £20m full-year loss or £11m profit pre-exceptionals, down £4m on previous numbers. The shares are on 18 times earnings for 1997. With investors facing long global lines should flow in this year. On a forward rating of 11, fair.

PEOPLE & BUSINESS

JOHN WILLCOCK



There was one high-level departure from Credit Suisse First Boston (CSFB) in London yesterday and another this week from its takeover victim, the equities division of BZW. But neither move had anything to do with the impending reorganisation of both banks, you will be relieved to hear.

Ian Molson, CSFB's head of investment banking, is leaving to spend more time with his Canadian-based family business, the Molson group.

"Ian is leaving for personal reasons," a CSFB spokeswoman said, adding that Chris Carter would become head of European corporate and investment banking in his place. Mr Carter is currently head of global equities at CSFB.

Coincidentally, Karen Collins, chief accountant of BZW's equities division, has jumped ship to join Dresdner Kleinwort Benson in a newly created post, that of global research accountant and analyst.

Jamie Stevenson, head of global research at DKR, is horrified at the very suggestion that Ms Collins' departure from Barclays' stricken investment banking unit has anything to do with the takeover by the Gnomes of Zurich. "She's on gardening leave at the moment. She joins us in the new year," Mr Stevenson said. He said she is a leading expert in training analysts how to evaluate companies. As for when her recruitment was initiated, he said disarmingly: "I can't remember."

Mr Molson, 42, has been with CSFB for 20 years. In 1996 he became co-head of investment banking with Franz von Meyenburg of Credit Suisse Group, when Credit Suisse integrated its investment business with CSFB.

Mr Molson recently became chairman of a new executive committee of the Molson board. The Molson family owns more than half of the voting shares in the eponymous Toronto-based group.

Two of Britain's most important receivers are joining forces in a merger spurred by the growth of "behind the scenes" business rescue work, as opposed to the traditional pursuit of corporate underwriting. Begbies Traynor, whose

senior partner David Sapte is serving president of the Insolvency Practitioners Association, is merging with Geoffrey Martin and Company, the Leeds and Newcastle firm which includes Brendan Guilfoyle, the current president of the Society of Practitioners of Insolvency.

The IPA is a regulator of the profession, while the SPI is more of a trade body, representing 90 per cent of the country's licensed receivers. Nice to have poachers and gamekeepers around the same table for a change.

Speaking of which, the IPA has just handed down a record £37,500 fine plus "six-figure" costs and a series of severe reprimands to Ray Hocking, a well known receiver and partner of BDO Stoy Hayward. Mr Hocking has agreed to the IPA's Investigation Committee making orders against him concerning his actions as liquidator of four separate companies. He has agreed that he "drew remuneration without obtaining the appropriate authority to do so" and that he drew remuneration in excess of the authority he was given to do so. He also admitted two other transgressions of the IPA's rules.

David Sapte commented: "The business community and the general public must have confidence in the insolvency profession. These cases show that the profession's monitoring system is effective in uncovering irregularities and that our disciplinary bodies are effective in disciplining members who fall short of the profession's high standards."

James Miller, the chairman of British industrial conglomerate Wassall, has died, the company announced yesterday. Mr Miller, who had been chairman since he helped launch the company in 1988, died on Wednesday night, the group said in a brief statement. He was until 1988 a director of Hanson, and he set up Wassall with two other former Hanson executives, his son Chris "Jock" Miller, who is chief executive, and Phillip Turner.

The other key player in Wassall is David Roper. Lord Roper's son-in-law, who qualified as an accountant at PricewaterhouseCoopers.

Jim Miller, 72, chaired the company from the start and quite a lot of his family money is wrapped up in the company. Previously he was boss of company called Harris & Sheldon, which he took private in 1981, long before it was fashionable to do so. Harris & Sheldon spanned automotive engineering, property and fishing. It owned many of the best fishing areas of the river Tweed, including Junction Pool, a mecca for fishermen, I'm told, as well as Hardy's, the maker of rods and tackle.

Rouse & Co International, a law firm, and its associate Willoughby & Partners, have gobbled up Dallas Brett, an Oxford-based firm which specialises in intellectual property. "Dallas Brett has blown up," says a legal source, and its partnership will be dissolved. Willoughby will gain Anna Booy and Ben Goodger, leading IP specialists, while Hugh Brett, the founder of Dallas Brett and author of a racy piece of bedside reading, *European Intellectual Property Law Review*, will become a consultant to the firm.

Foreign Exchange Rates

Country	Spot	1 month	3 month	D-Mark	Spot	1 month	3 month
UK	100.00			0.5677	0.5681	0.5693	0.5705
Australia	24.42	24.42	24.42	143.83	143.78	143.78	143.78
Canada	20.52	20.52	20.52	122.03	122.03	122.03	122.03
Denmark	81.31	81.31	81.31	54.93	54.93	54.93	54.93
France	23.92	23.92	23.92	140.89	140.89	140.89	140.89
Germany	11.41	11.41	11.41	65.47	65.47	65.47	65.47
Italy	14.91	14.91	14.91	149.82	149.82	149.82	149.82
Japan	82.22	82.22	82.22	5.38	5.38	5.38	5.38
Netherlands	16.91	16.91	16.91	149.82	149.82	149.82	149.82
Sweden	4.91	4.91	4.91	149.82	149.82	149.82	149.82
Switzerland	2.91	2.91	2.91	149.82	149.82	149.82	149.82
US	1.71	1.71	1.71	149.82	149.82	149.82	149.82

Other Spot Rates

Country	Spot	Dollar	Country	Spot	Dollar
Argentina	17.05	100.00	China	0.6560	0.6560
Brazil	1.8835	100.00	France	7.4969	7.4969
Canada	14.089	8.2805	Germany	36.864	36.864
Czech Rep	55.889	32.855	Italy	5.6897	5.6897
Egypt	5.791	3.3872	Japan	22.942	22.942
Greece	338.84	22.942	UK	1.71	1.71
Hungary	332.88	9.654	US	1.71	1.71
India	32.702	14.521			
Indonesia	57.768	3.950			
Kuwait	1.5566	0.3030			
Nigeria	1.938	8.1600			

Interest Rates

UK	Germany	US	Japan
Base	7.25%	Discount	5.50%
France	5.50%	Prime	5.50%
Italy	5.50%	Discount	5.50%
Netherlands	5.50%	Discount	5.50%
Sweden	5.50%	Discount	5.50%
Switzerland	5.50%	Discount	5.50%

Money Market Rates

Overnight	1 week	1 month	3 months	6 months	1 year
UK	7.25	7.25	7.25	7.25	7.25
Germany	7.25	7.25	7.25	7.25	7.25
US	7.25	7.25	7.25	7.25	7.25

Liffe Financial Futures

Contract	Settlement	High	Low	Open
Long Oil	Dec-97	77.21	76.47	76.96
US Long Bond	Dec-97	102.53	102.17	102.48
German Bund	Dec-97	102.53	102.17	102.48
Italian Bond	Dec-97	102.53	102.17	102.48
Japanese Govt	Dec-97	102.53	102.17	102.48

Commodity Indices

Index	1970-100	1980-100	1990-100
Oil	100.00	100.00	100.00
Gold	100.00	100.00	100.00
Grain	100.00	100.00	100.00

Industrial Metals

Aluminum	Copper	Gold	Iron	Nickel	Palladium	Platinum	Silver	Steel	Uranium	Zinc
100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

Precious Metals

Platinum	Palladium	Silver	Gold
100.00	100.00	100.00	100.00

Agricultural

Coffee	Cocoa	Grain	Oil	Sugar
100.00	100.00	100.00	100.00	100.00

Other Softs

Dec Live Cattle	Dec Live Hogs	Dec Live Pigs	Dec Live Sheep
100.00	100.00	100.00	100.00

Latest Unit Trust Prices

Fund	Unit Price	Fund	Unit Price	Fund	Unit Price	Fund	Unit Price
ABG Growth Trust Ltd	1.00	ABG Growth Trust Ltd	1.00	ABG Growth Trust Ltd	1.00	ABG Growth Trust Ltd	1.00
ABG Growth Trust Ltd	1.00	ABG Growth Trust Ltd	1.00	ABG Growth Trust Ltd	1.00	ABG Growth Trust Ltd	1.00



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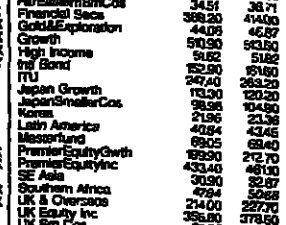
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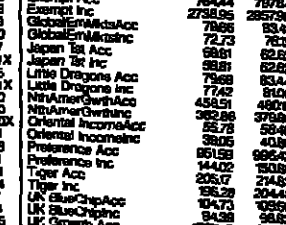
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